

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Subscription rates: U.S. and possessions, \$10.00 per year in advance. Single copies, 25¢. Outside U.S. and possessions, \$15.00 per year in advance. Single copies, 35¢. Payment in U.S. dollars only. Second-class postage paid at New York, N.Y., and at additional mailing offices. Postmaster: send address changes in U.S. and possessions to Herald Tribune, 212 West 43rd St., New York, N.Y. 10018. Outside U.S. and possessions, send address changes to Herald Tribune, P.O. Box 100, New York, N.Y. 10018.

ESTABLISHED 1887

PEOPLE
U.S. Orchestra...
Get a Hand in...
The Los Angeles...
under Andre...
succeed tour of...
Sunday with a...
ed around...
certo and works...
Braves. The...
3,000-seat...
prices up to...
applauded...
for the first...
seven cities...
New York...
week's visit...
first tour to...
economics of...
reason for...
Marlies, the...
master in...
goal set by...
predecessor...
Nippon Fire...
Co. advised...
troupe had...
Bay NK Hall...
for rock...
downtown...
the hall, but...
were unusually...
enthusiastic.

No. 32,843 39/88

OLYMPIC OODIUM
A new collection...
ver's short...
after all...
Chicago...
Chicago...
Academy...
all 68 of...
permission...
ber — 10...
certainly...
satisfied.

On His Last Dive, History Was Made
Greg Louganis of the United States gave what was probably the finest performance of his long career Tuesday, overcoming adversity and his hair apparent, 14-year-old Xiong Ni of China, to become the first man to win two diving gold medals in consecutive Olympics.

And on the Courts, It's Showtime
Steffi Graf of West Germany, Gabriela Sabatini of Argentina, Manuela Maleeva of Bulgaria and Zina Garrison of the United States reached the women's semifinals of the tennis tournament, while Stefan Edberg, the Wimbledon champion, made sure of picking up two medals for Sweden. In women's basketball, the United States easily beat the Soviet Union and Yugoslavia squeaked by Australia to gain the gold medal game.

There's More Bad News for the U.S.
While more and more Koreans were saying that the United States was losing out to the Soviet Union in what may turn out to be a more important competition, for South Korea's good will, the police in Seoul recommended that a U.S. swimmer be prosecuted for allegedly stealing an ornament from a hotel.

The Truth Was Never More Obvious
Jody Campbell of the U.S. water polo team, on all the faces being made of his losing a chunk of bone from his elbow during a vehicle accident: "I was in bad shape, but my friend was worse. He broke his neck."

Obviously, the Kids in Korea Are Neater
Suk Young Ae, one of the 877 South Korean mothers and housewives who volunteered last December to clean the 12,400 rooms where the athletes and officials stay: "Some bedrooms are very messy."

Besides, She Gets to Wear a Uniform
Sheila Wager of the United States, on being a woman referee at the wrestling matches in Seoul: "There were no problems. The wrestlers did their job and I did mine."

THE EXECUTIVE
CLASSIFIED

Johnson Returns From the Olympics in Disgrace

Sprinter, Stripped of Medal, Is Barred for Life by Canada

Compiled by Our Staff From Dispatches
TORONTO — Ben Johnson arrived home Tuesday in disgrace after being stripped of his Olympic gold medal and his 100-meter world record, barred from international meets for two years and banned for life from competing for Canada.

The sprinter refused to talk about the scandal and the tests that showed he had taken steroid drugs to enhance his performance.

Prime Minister Brian Mulroney

Some Olympic athletes welcomed the disqualification as a step toward ending drug use. Page 23.

said Johnson's disqualification was "a moment of great sorrow for all Canadians." The government announced it would investigate the scandal.

Gaetan Outerbridge, the president of the Olympic Association of Bermuda, who traveled from Seoul to New York on the same plane, said Johnson had signed autographs for passengers in the first-class compartment on the Korean Air plane.

But on his flight from New York to Toronto, Johnson took refuge in the cockpit to avoid reporters.

Calling the incident "a national embarrassment," Sports Minister Jean Charest of Canada said that Johnson would be banned from Canada's national team for life.

The International Amateur Athletic Federation, the world governing body for track and field, banned him from competition for two years.

"A few days ago, Canada had the opportunity of having a great day of national pride," Mr. Charest said. He said that his government accepted the validity of the tests made by the International Olympic Committee and that the suspension would be effective pending an appeal from Johnson.

The Canadian government also banned him for life from receiving a monthly government payment of \$650 that he had been receiving.

"Johnson knew what the rules were," said Mr. Charest, who acknowledged he had heard sev-

eral months ago that Johnson might be using steroids.

"From time to time people would come to me in a private way — and this happened one or two times — and say that maybe Ben Johnson is using steroids or other drugs," Mr. Charest said. He noted that the sprinter was aware he would be tested at the Olympics.

The chairman of the National Committee on Drug Abuse in Amateur Sport, Dr. Andrew Pipe, indicated that coaches and doctors must have known of or aided Johnson's drug use.

"I find it very hard to believe that Ben Johnson woke up one morning and decided, 'Gee, I think Stanozolol twice a day will help my performance,'" said Dr. Pipe, the team physician for the country's Olympic basketball players.

If the coaches and doctors were unaware that Johnson used drugs, then they had inadequately monitored him, Dr. Pipes said.

"I strongly believe there are people other than Ben Johnson who should answer for this," he said.

Johnson had appeared to be in shock before leaving South Korea

See SHAME, Page 5



Ben Johnson was shielded from the press Tuesday after he arrived in New York from South Korea.

Soviets Pause in Pullout

Shevardnadze Cites 'Violations' of Afghan Pact

By Don Oberdorfer
Washington Post Service
UNITED NATIONS, New York — The Soviet foreign minister, Eduard A. Shevardnadze, said Tuesday that Soviet troops had paused in their withdrawal from Afghanistan, and he indicated that a resumption of the pullout might depend on a halt in the flow of arms to the Afghan resistance.

Speaking to reporters following an otherwise conciliatory appearance at the UN General Assembly, Mr. Shevardnadze said, "We have completed the first stage of our withdrawal. We have not yet begun the second stage."

Asked if the withdrawals would proceed on the internationally agreed schedule calling for the removal of all Soviet forces by next Jan. 15, Mr. Shevardnadze replied, "We will wait and see. There have been violations of the agreements that have taken place."

[Mr. Shevardnadze also called on the United States to join Moscow in creating a world space organization, which would use a disputed Siberian radar base as its eye on the heavens. The Associated Press reported from the United Nations. He said that the United States should join the Soviets in the space agency and donate U.S. radar units in Greenland and Britain.

[The United States says the Soviet radar at Krasnoyarsk violates the 1972 Anti-Ballistic Missile Treaty and must be demolished.]

Mr. Shevardnadze said in his UN address that as soon as Soviet troops began withdrawing from Afghanistan last spring under the terms of the April 14 Geneva accords, "a nonstop production line of violations was set in motion."

In an exchange of recriminations, the Soviet Foreign Ministry spokesman, Gennadi I. Gerasimov, asserted that Pakistan was violating its noninterference pledge by permitting a continued flow of arms to the Afghan resistance, while Secretary of State George P. Shultz asserted that the Soviet Union or the Soviet-backed Kabul regime were "violating Pakistani airspace."

Replying to Mr. Shevardnadze's call for a UN-sponsored meeting on compliance with the Geneva accords, Mr. Shultz said he expected the subject to be discussed Friday in a luncheon meeting of the foreign ministers of the five permanent members of the Security Council — the United States, the Soviet Union, Britain, France and China.

But Mr. Shultz said that the administration would not be ready to meet Kabul government representatives because the United States did not recognize them as legitimate.

Under the Geneva accords, the Soviets were required to begin withdrawing their forces from Afghanistan on May 15, to withdraw half of them by Aug. 15 and to complete the withdrawal by Feb. 15. The Soviets informally said they planned to complete their pullout by the end of this calendar year.

The United States as well as a UN observer team credited the Soviets with meeting their Aug. 15 deadline for pulling out half their troops. This appears to be what Mr. Shevardnadze referred to as "the first stage."

U.S. officials said Soviet forces seemed recently to have consolidated their positions around several key Afghan cities and along the routes of withdrawal that are likely to be used for the final pullout.

However, little or no Soviet

See GLOOMY, Page 5

Court Says EC Law Goes Beyond Europe

By Barry James
International Herald Tribune
BRUSSELS — The European Court, establishing a precedent Tuesday that European Community law extends beyond the borders of the 12-nation bloc when its trading interests are concerned.

The Luxembourg-based court upheld the legitimacy of fines for price-fixing levied in 1984 against 41 manufacturers of wood pulp in the United States, Finland, Canada and elsewhere, even though most of them had no branches or subsidiaries in the community.

The fines, amounting to 4 million European currency units or \$4.4 million, and ranging from \$34,500 to \$545,000, were imposed by the European Commission, the EC's executive body in Brussels.

The court still has to rule on an appeal against the accusation and the fines by nine U.S. and six Canadian firms. It voided a fine against the Pulp, Paper and Paperboard Export Association of Bethlehem, Pennsylvania, saying that it had not played a part in the alleged price-rigging by the pulp manufacturers.

The commission found that the manufacturers colluded between 1975 and 1981 to fix artificially high prices for their products, which accounted for 60 percent of the EC's pulp consumption. Wood pulp is the basic material for a wide range of products, including news-

print, cardboard boxes and food containers.

The court said such collusion violated article 85 of the EC treaty, which sets antitrust rules.

Whether or not the companies were based in the EC, the court said, the rules applied because "the producers enacted their price agreement inside the Common Market" and thus automatically came under EC law.

EC legal experts said the case was likely to have broad ramifications, since it confirmed that the commission's writ extended to suppliers of all kinds of raw materials to the community. However, the commission has never taken action against the most notorious cartel, the Organization of Petroleum Exporting Countries, which has regulated oil prices.

See EC, Page 5

Japan Seeks Smaller Role for Dollar

By Reginald Dale
International Herald Tribune
BERLIN — Japan issued its strongest call yet on Tuesday for a change in the international monetary system that would reduce the weight of the dollar as an international reserve currency.

Under Japan's proposal, which would expand the reserve use of the International Monetary Fund's special drawing rights, the yen and possibly other currencies would "complement the dollar's key role," said Satoshi Sumita, governor of the Bank of Japan.

The dollar currently is the leading reserve currency, the term used to describe central banks' holdings of foreign reserves. The SDR was introduced in 1970 as a reserve currency to partly replace national currencies and gold in settling international transactions.

Mr. Sumita said the leading reserve currency, the term used to describe central banks' holdings of foreign reserves. The SDR was introduced in 1970 as a reserve currency to partly replace national currencies and gold in settling international transactions.

The Japanese initiative, on the opening day of the annual meeting of the IMF and the World Bank, gave fresh impetus to the debate on change in the international monetary system that is expected to gather pace after the new U.S. administration takes office next year.

Nicholas F. Brady, the U.S. Treasury secretary, did not address the issue of monetary reform in a speech on Tuesday that contained no new economic policy proposals.

Confidence officials said Washington did not want even to begin the debate until after the U.S. elections in November, a position that is shared by Britain.

France, however, a long-standing advocate of monetary change, said the time had come to tackle the future role of special drawing rights.

Pierre Berégovoy, the French finance minister, said at the meeting that the special drawing rights should be more widely used as a reserve currency. That would imply that at some point in the future, SDRs should be traded on financial markets, he said.

Although not going as far as Mr. Berégovoy and Japan, Michel Combes, director of the IMF's managing director, suggested that the special drawing rights could be

Israel's Plastic Bullets Fatal to 2 Palestinians

By Joel Brinkley
New York Times Service
JERUSALEM — Two Palestinians died Tuesday of gunshot wounds inflicted by Israeli troops, the fifth and sixth deaths in less than 24 hours, and Defense Minister Yitzhak Rabin said demonstrators in the Israeli occupied territories could expect more of the same.

Part of the reason for the high toll of dead and injured seems to be the army's new policy of using plastic bullets.

At least two of the demonstrators killed in the last 24 hours were shot with plastic rounds, hospital officials said. Palestinian doctors said the Israeli soldiers must have been firing from short range.

The death toll for 24 hours was the highest since April, even though the size and intensity of demonstrations in the West Bank and Gaza Strip were far lower than early in the year.

"They will have to learn that more violence will bring more suffering to a new conference," Mr. Rabin said during a news conference. "My responsibility as defense minister is to bring the level of violence down."

Mr. Rabin said the old methods of dealing with stone throwers, firing tear gas and beating them, in many cases, had ceased to be effective.

"So we use plastic bullets," he said. "The new plastic rounds, he added, give soldiers the ability to 'hit or injure stone throwers outside the range of the stones.'"

Because they are lightweight, the plastic rounds lose their velocity quickly and are not supposed to be lethal beyond about 70 meters (75 yards).

Monday was the most violent day in months. Both the under-

See ISRAEL, Page 5



President Ronald Reagan shaking hands with the Soviet foreign minister, Eduard A. Shevardnadze, as Secretary of State George P. Shultz looked on at the Waldorf-Astoria Hotel in New York.

Thatcher Praises Policies of Gorbachev

British Leader Also Scoffs at Talk of a United Europe by '93 as 'Nonsense'

By Craig R. Whitney
New York Times Service
LONDON — Prime Minister Margaret Thatcher said Tuesday that it was in the Western interest for Mikhail S. Gorbachev to succeed in his policies of change in the Soviet Union.

The British leader also said she would do her best to see that her relations with the next president of the United States were as good as they had been with Ronald Reagan.

In an hour-long interview with a columnist and a correspondent of The New York Times, Mrs. Thatcher bared some of her fellow European leaders and Brussels bureaucrats for what she called "nonsense" about a united Europe after 1992.

Mrs. Thatcher said that she had not watched the television debate between Governor Michael S. Dukakis, whom she has never met, and Vice President George Bush, whom she knows well.

"I'm not going to get involved in your election problems, for very obvious reasons," she said.

But she said that after the presidential election, she would "struggle to see that close relations continue." Quickly correcting herself, she added: "I hope that it won't be a struggle."

"It is my purpose to see that the United States and the United Kingdom, which have a very special relationship, remain that," she said.

Mrs. Thatcher will be visiting Poland next month, and she had the Soviet leader and his recent problems with unrest in Poland and the Soviet Union very much in mind.

Speaking of her visit to the Soviet Union last year, she said: "I had to decide whether I thought it was in the Western interest that he succeed, and I think it is."

"I think that what Mr. Gorbachev is doing in the Soviet Union is highly and particularly relevant to Poland."

"It is both extremely bold and prophetic at this time for the Soviet Union to have a leader who comes right to the top and says, 'Look, for 70 years communism hasn't produced the hopes and dreams that we had for it. Those

hopes and dreams crumbled. And we've got to go in the direction of freeing up speech, the discussion, freeing up responsibility.'"

The Conservative prime minister said that the reason she found Mr. Gorbachev's policies appealing was "the idea that enlarging the liberty and responsibility will give you the greater economic prosperity."

"They were slightly ahead of it in Poland," she said, "because the Solidarity movement was really saying, 'Look, we know this.'"

Mrs. Thatcher will meet the head of the banned Solidarity labor union, Lech Walesa, in Gdansk next month. She said that the union was "trying to enlarge the freedom" in Poland and that she thought that, "according to what's been going on recently," maybe it was succeeding.

Speaking of the Soviet Union, Mrs. Thatcher said: "It's a great, massive turnaround, where you have, in fact, been saying to people for 70 years, 'You don't do anything unless you've got permission.' To turn

See THATCHER, Page 5

EXECUTIVE ASSISTANT TO CHAIRMAN
SECRETARIES
RECEPTIONISTS
PROPERTY CLERK
TRAINING CLERK
RECORDS CLERK
MAIL ROOM
COURT REPORTERS
TRANSLATORS
INTERPRETERS
TELETYPE OPERATORS
TELEPHONE OPERATORS
COPY CLERKS
STENOGRAPHERS
RECEPTIONISTS
PROPERTY CLERK
TRAINING CLERK
RECORDS CLERK
MAIL ROOM
COURT REPORTERS
TRANSLATORS
INTERPRETERS
TELETYPE OPERATORS
TELEPHONE OPERATORS
COPY CLERKS
STENOGRAPHERS

Kiosk
Reagan Presses Allies to Help
UNITED NATIONS, New York (AP) — President Ronald Reagan said farewell to West European and Asian allies on Tuesday with an appeal that they shoulder more of the joint military burden.

Mr. Reagan met with the leaders of the 15 North Atlantic Treaty Organization members and of Australia, South Korea and Japan as he completed a two-day visit to the United Nations. The allies, while praising the president for his commitment to the alliance, insisted that, for the most part, they were carrying a fair share.

General News
A curb on missile sales was discussed by the United States and the Soviet Union. Page 3.

Rolls of voters who followed the Bush-Dukakis debate found that they ruled the contest a draw. Page 3.

Business/Finance
Macmillan agreed to be bought by KKR, whose bid topped that of Maxwell Communications. Page 15.

How Close
The Dollar to New York
Dollars 1.8780
Pounds 1.8785
Yen 124.675
FF 6.3845

Mubarak's Peace Broker Role Could Help Ease Debt Crisis

By Alan Cowell
New York Times Service
CAIRO — With a European tour that took him on Tuesday to Paris, President Hosni Mubarak of Egypt has cast himself more forcefully than in recent months as a broker and central figure in the stalled quest for peace in the Middle East.

In doing so, some Western diplomats assert, he is primarily seeking to underscore his country's strategic significance and the importance of its domestic stability as a way to win sympathy from Western creditors at a time when Egypt is embroiled in a dispute with the International Monetary Fund.

Egypt is the Arab world's most populous nation, and the only Arab country to have made peace with Israel. The United States provided it with military and economic aid that is second only to that provided to Israel.

Yet, with a fast-growing population of 50 million outstripping cultivable land and a foreign debt of \$44 billion, the nation faces a near-perennial economic crisis. To solve it, the International Monetary Fund has suggested measures that some Egyptian politicians say could produce riot and turmoil.

Mr. Mubarak said recently that the IMF behaved like a "quack doctor" who prescribed "a huge dose of medicine in one go instead of a daily pill."

"The IMF plan aims at killing the Egyptian citizen and is impossible to implement," he said. The fund insists that Egypt cut its \$2.2 billion budget deficit, raise domestic interest rates and cut subsidies on fuel, electricity and food.

"We want reform," Mr. Mubarak said. "But I tell the IMF that this reform must be in line with our social and economic situation and the standard of living."

The comment reflected fearful memories and harsh statistics: price increases in 1977 produced fierce bread riots that few have forgotten in a nation where more than a third of the people live on or below the poverty line. Prices of many basic commodities are already rising at a rate of around 30 percent.

Egypt's latest agreement with the IMF collapsed last year because of Cairo's inability to carry out the changes prescribed by the fund. Negotiations on a new deal with the fund — vital to underwrite Cairo's effort to reschedule billions of dollars of debts and to secure

new credit — have been tortuous and inconclusive.

When Mr. Mubarak left last week, for visits to Yugoslavia, Britain, France and West Germany, his principal aim was to secure Western support for Egypt's case within the IMF, Egyptian officials and Western diplomats said.

"Part of his argument," a Western diplomat said, "is that Egypt is too important strategically, as an anchor of Western policy, to risk the kind of social upheaval that could come from doing what the fund says."

Mr. Mubarak has denied that his visits to European capitals are primarily designed to secure economic assistance. Egyptian newspapers reported Tuesday that he cast his discussions as focusing on the key issues of the Middle East — the Palestinian-Israeli dispute and the Gulf cease-fire.

Shortly before he left for Europe, Mr. Mubarak met in Cairo with Yasser Arafat, chairman of the Palestine Liberation Organization. And, while he was in London earlier this week, his foreign minister, Esmet Abdel Meguid, met in Washington with President Ronald Reagan and the Israeli foreign minister, Shimon Peres.

A senior Palestinian official, who declined to be identified by name, said Mr. Mubarak had insisted that Mr. Arafat come to Cairo before this newest round of Egyptian diplomacy, apparently to enhance Cairo's status as a central figure.

"Egypt does enjoy special capacities as a regional peacemaker," the semi-official Egyptian Gazette said in an editorial Tuesday. "Egypt maintains the closest working relationship with both Jordan and the PLO, in addition to diplomatic relations with Israel — a factor which makes this country the most qualified to act as a regional catalyst and moderator."

Less than a year ago, Cairo was still officially held as a pariah among Arab nations because of its 1979 peace agreement with Israel. Since an Arab summit meeting in Amman last November, Egypt has been rehabilitated among moderate Arab nations.

The current focus of that still-undetested influence is the turmoil produced in Palestinian ranks by Jordan's decision on July 31 to sever ties with the Israeli-occupied West Bank. Amman's move forced the PLO to decide how it would fill the resulting political void.

In his talks with the PLO leader, officials said, Mr. Mubarak urged a reconciliation between Mr. Arafat and King Hussein of Jordan, whom the Egyptian leader met in London this week.



President Hosni Mubarak of Egypt, left, with President François Mitterrand of France on Tuesday during the Egyptian leader's two-day visit to France. Between them is an interpreter.

Israel Radio Says Egypt Has Won Taba Dispute

JERUSALEM — Israel has lost a six-year border dispute with Egypt over the Taba beach on the Red Sea, Israel Radio said Tuesday.

A five-member international arbitration panel accepted Egypt's position on the location of the Sinai peninsula border and said the 700-meter (765-yard) beach resort should be returned to Egypt, the radio reported.

The beach is a few kilometers south of the Israeli resort of Eilat at the head of the Red Sea. Israel considers Taba important because it contains an Israeli-built luxury hotel.

Israel held on to Taba after withdrawing from the Sinai in 1982 under the peace treaty it signed with Egypt in 1979.

A decision in Egypt's favor had been expected, and negotiations between Israel and Egypt to reach a last-minute settlement on Taba had failed.

Israeli press reports said Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres were informed of the panel's decision

over the weekend, but officials in both offices refused to comment.

The officials said they would not issue statements on Taba until after the panel presented the verdict to Geneva on Thursday.

The director-general of the Foreign Ministry, Avraham Tamir, and a legal adviser to the ministry, Robbie Sabel, are to head the Israeli delegation that will receive the ruling in Geneva.

Israel and Egypt are expected to begin talks on carrying out the ruling shortly after it is delivered. Mr. Peres and the foreign minister of Egypt, Esmet Abdel Meguid, are to meet in New York on Thursday.

Sources quoted by The Jerusalem Post on Tuesday said the award would be unequivocal and would not leave room for Israel to retain control over parts of the beach or delay carrying out the arbiters' decision.

Israeli officials have said the government would abide by the decision. The Jerusalem Post said Israel and Egypt had already reached an understanding to prevent Taba from becoming a campaign issue one month before the Israeli general elections.

Kuwait, Breaking the Ice With Iran, Will Reopen Its Embassy in Tehran

By Patrick E. Tyler
Washington Post Service
KUWAIT — In one of the first diplomatic openings to Iran since the Gulf cease-fire, Kuwait has sent a three-man team to Tehran to re-establish its embassy there, according to a senior Kuwaiti official.

The move was seen by Western diplomats as an effort by Kuwait to balance its relations between Baghdad and Tehran in the postwar period.

It also reflects Kuwait's independence from other Arab states, like Saudi Arabia, Egypt and Bahrain, which are moving much more cautiously and in concert with Iraq in their dealings with Iran.

Saudi Mohammed Usaymi, the Kuwaiti minister of state for foreign affairs, said in an interview that despite Iranian missile attacks

on Kuwait and Iranian-inspired sabotage and propaganda assaults, Kuwait's rulers want a speedy return to normal relations.

"We want to forget the past," Mr. Usaymi said. "There is no reason to keep the tension going on."

He referred to the thousands of Iranian nationals who lived in Kuwait during the war and the on-again-off-again trade ties.

"We never had a direct problem with Iran," he said, characterizing Iran's aggression against Kuwait as a byproduct of the war with Iraq.

"We have received some Iranian officials after the cease-fire," he said, adding that these envoys made it "very clear" that Iran wanted to normalize relations.

Mr. Usaymi also said that he expected a resolution within months of a long-standing border dispute between Iraq and Kuwait. He added that Baghdad is seeking to settle border issues with its Arab neighbors that supported Iraq's war effort, including Jordan, Saudi Arabia and Kuwait.

The Kuwaiti decision was made a time when other Arab leaders, particularly in Saudi Arabia and Egypt, are coordinating their moves with Iraq, whose government is deadlocked in the peace negotiations with Iran.

According to Arab officials, Iran has asked those Arab governments that did not break relations during the war to re-establish a diplomatic presence in Tehran. Even Saudi Arabia, whose rulers broke relations earlier this year, is being "heavily probed" by Iran through

WORLD BRIEFS

Armenians Warned as Strike Persists

MOSCOW (Reuters) — The Armenian authorities have warned workers on strike over the Nagorno-Karabakh regional dispute that they face stiff penalties, loss of pay, longer waits for housing and reduced vacation rights.

The Armenian Communist Party newspaper, Kommunist, which published the warning, also revealed that a military commander had been named in the Nagorno-Karabakh Autonomous Region in Azerbaijan, which has sought since February to become a part of neighboring Armenia. The paper said the labor sanctions applied to all strikers who missed more than three hours of work on a given day.

In Yerevan, the Armenian capital, a spokesman for the official news agency, Armespress, said Tuesday that industry had not returned to full capacity. The latest strike wave began last week after an Armenian was killed in clashes with Azerbaijanis. "Transport is working, but industry is not yet back 100 percent," the spokesman said.

Dissidents in Burma Form Alliance

RANGOON, Burma (AP) — U Aung Gyi, a retired army officer who broke with Burma's longtime authoritarian government and became one of the country's leading dissidents, was appointed Tuesday to be chairman of a newly formed opposition alliance, the League for Democracy.

U Tin Oo, a former defense minister, was named vice chairman, and Daw Aung San Suu Kyi, daughter of the independence hero U Aung San, was named general secretary, the league said in a manifesto. The alliance urged workers to continue a general strike until they achieved their goal of democracy. The strike began Sept. 18 when General Saw Maung seized power.

The government said that 348 people had been killed in Burma since the coup. Western diplomats in Rangoon estimated earlier that as many as 400 people were killed by the government in the days following the coup. A government spokesman said at a press briefing that 219 others had been wounded and 1,107 had been arrested.

Curbs Put on U.S. Citizens in Beirut

BEIRUT (NYT) — Reflecting tension between the U.S. Embassy and the Christian military cabinet of Major General Michel Aoun, the army command obliged all U.S. citizens, regardless of their position, to inform the army in advance of their movements within Lebanese territory, the general confirmed Tuesday.

The army also obliged all incoming and outgoing U.S. helicopters to use an army base north of Beirut only after receiving prior approval from the Lebanese Air Force Command, the Christian El Diyar newspaper reported. Before the new restriction, American diplomats enjoyed freedom of movement in and out of Lebanon by helicopters landing and taking off from the embassy annex compound in Dair Aoukar, east of Beirut.

According to Arab diplomats in West Beirut, General Aoun was angered that the new U.S. Ambassador, John McCarthy, arrived in Beirut without notifying him. Tension between the two sides surfaced during the past two weeks after a U.S. assistant secretary of state, Richard W. Murphy, endorsed the candidacy of the Syrian-backed deputy, Mikhael Daher, for the Lebanese presidency after five days of negotiations with Syrian officials in Damascus.

Chinese Submarine Launches Rocket

BEIJING (Reuters) — China has launched a rocket from a nuclear submarine, Xinhua said Tuesday in a brief report.

The rocket, launched between Sept. 14 and 17, landed in its target area in the East China Sea, the agency said. It did not say how far the rocket traveled.

Tests Said to Refute Claim for Shroud

ROME (AP) — The scientific adviser to the archbishop of Turin said Tuesday that he was told that laboratory tests showed the Shroud of Turin was made in the 14th century and could not be the burial cloth of Christ.

Professor Luigi Gonella said he had not yet seen the official report from the three laboratories that conducted the carbon-14 dating tests, but that all the disclosures to the press indicated that the shroud dated from the 14th century and "somebody let me understand that the rumors were right."

"All the leaks were too exact, too concentrated to be a pure invention," he said in a telephone interview from the archdiocese in Turin.

TRAVEL UPDATE

All 17,000 Athens taxi drivers began a three-day strike on Tuesday to protest anti-pollution measures that restrict motor vehicle circulation in the city center. The restrictions ban half the 800,000 cars in the city from a five-square-mile (13-square-kilometer) zone between 7 A.M. and 8 P.M. on weekdays, according to odd and even license plate numbers. (AP)

U.S. airlines will be required to install warning devices in airliner cockpits to help pilots detect and avoid wind shear, the Transportation Department announced. The rule takes effect next week and affects 3,600 planes. Aircraft with fewer than 30 seats are exempted. (UPI)

Correction

An article Saturday mistakenly said that the American art historian John Rewald was deceased. The article also incorrectly named the Zurich dealer in the Old Masters showing at the Paris Biennale; he is Bruno Messner.

Japanese Get Set to Debate Their Future

By Patrick L. Smith
International Herald Tribune
TOKYO — As Emperor Hirohito's 63-year reign draws to a close, nationalist leaders are preparing to plunge Japan into a renewed debate on sensitive military, legal and constitutional issues that have been submerged throughout the postwar era.

Whether Japan should revise its postwar constitution, redefine the status of the emperor and claim the right to reassert itself militarily are all questions that nationalist figures, many in influential positions, intend to reopen.

Conservative politicians and intellectuals have asserted repeatedly in recent weeks that the wartime emperor's passing will enable Japan to advance beyond the profound sense of guilt that has colored the national psychology for four decades.

In a series of interviews, prominent nationalists also predicted a new spirit of nationalism among the Japanese that would provide the climate necessary to re-examine a number of long-standing political taboos.

It has been clear since the emperor's condition began to deteriorate sharply last week that Japan has already begun to question how the end of the Showa era, as Hirohito's reign is known, should be interpreted. What remains uncertain is the extent to which nationalist sentiment will color a widely anticipated period of self-examination.

Most social and political analysts view the event as the moment at which Japan can claim to have entered fully into an age of "internationalization," during which it is to assume greater political, diplomatic and security responsibilities in the global order. Officials have stressed this theme for much of the 1980s.

Nationalist figures, notably former Prime Minister Yasuhiro Nakasone, have been instrumental in articulating these goals. But to accomplish them, they assert, Japan must free itself from the constraints under which it has lived since its military defeat.

"Depending on the international environment, we'll be able to revise the victor-imposed constitution and to realize a truly independent Japanese nation," said Hideaki Kase, an author and former cabinet adviser. "I don't expect change to come immediately, but should Japan be forced to play a role in world events, we'll see a greater urge to revive nationalism."

While most public figures remain silent on such issues, assertions of nationalist sentiment have embarrassed the government and the ruling Liberal Democratic Party on several occasions in recent years. In May a senior party

official, Seisuke Okuno, was forced to resign his cabinet post after asserting that Japan was not an aggressor during World War II.

One important issue now is the degree of support that nationalist figures such as Mr. Okuno enjoy at high levels of the administration. Addressing this point, Mr. Kase contended earlier this week that "everyone in the cabinet believes in his heart" that Japan had fought a just war.

Indeed, one of the things that antagonizes political and cultural conservatives is the ruling party's long-established practice of bending legal and constitutional constraints without subjecting the underlying issues to open debate.

While Japan is now expanding its military capabilities at one of the fastest rates of any advanced nation, for instance, it continues to function under a constitution that prohibits all

Tokyo Editors Demoted For Obituary Editorial

New York Times Service
TOKYO — One of Japan's largest newspaper groups demoted its editor in chief Tuesday and dismissed another senior editor, after an English-language edition of the newspaper mistakenly published an obituary editorial about Japan's ailing Emperor Hirohito.

The actions underscored the extraordinary sensitivity here to press coverage of the emperor's illness.

The editorial that led to the severe actions appeared in the Monday edition of the Mainichi Daily News, an English-language paper published by Mainichi Newspapers. Much of its material is drawn from the Japanese-language Mainichi Shimbun, Japan's third-largest newspaper, with a circulation of about 4.5 million copies a day.

At the Mainichi's headquarters, editors said that they were still investigating how the editorial had appeared. But in a country where leading officers traditionally take responsibility for the actions of their employees, the newspaper announced that it had stripped Tadao Koike, the editor in chief of all of the Mainichi papers, of his title. He remains a director of The Mainichi Newspapers Co.

The newspaper also said that it had "dismissed" Ken Kondo, general manager and editor of the English-language edition. Mr. Kondo, a newspaper spokesman said, still works at the paper but "has no title and no responsibilities."

Handwritten signature or mark: JPK 101 50A

AMERICAN TOPICS

Programs Paying Off For Minority Students

Experts ascribe the marked improvement in minority teenagers' scores on standardized college admissions tests for the third consecutive year to stiffer high-school course requirements and two decades of the Head Start program.



READY FOR MITTERRAND — Blair House, the Washington mansion that has housed many foreign dignitaries and a U.S. president, Harry S. Truman, is open again after a major restoration.

Short Takes

New York City's first mosque is being built at Third Avenue and 96th Street in Manhattan and will open next summer.

15 to 20 make up 8 percent of the U.S. population but account for 17 percent of the drivers involved in fatal, alcohol-related traffic accidents.

President of the American Spice Trade Association, Supermarket sales of Southwestern and Mexican foods reached \$1 billion last year, a 230-percent rise since 1980.

Lawyers are supposed to read the fine print, so none who received a letter from the City Attorneys' Association of Los Angeles County, announcing that the group's September luncheon would be held at Jolie's Restaurant on South Flower Street, should have been surprised.

Arthur Higbee

First Bush-Dukakis Debate: Who Benefits From a Tie?

By Paul Taylor

WASHINGTON — After weeks of hype, the first encounter between Governor Michael S. Dukakis and Vice President George Bush seems headed into the record books as an affair that left the dynamics of the presidential race essentially unchanged.

"I think we're exactly where we were 24 hours ago," said Bob Bennett, Republican Party chairman in Ohio. "And that's good for us."

"Probably not very much changed," agreed the Democratic consultant Greg Schneider. "There were no major mistakes, no major advances."

The view of these professionals was underscored by overnight polls that showed a mix of results.

Does a "tie" go to the challenger in this instance, or to the quasi-incumbent? There was sharp division — and not entirely along partisan lines — among political insiders Monday on that question.

"I think Dukakis gets the challenge," said a Democratic pollster, Paul Maslin. "He was on the same stage as the vice president. He acquitted himself well — showed he could handle tough issues. He diminished the risk factor that Bush has been trying to pin on him."

"My view is that the burden of proof is on the challenger in times of peace and prosperity," Mr. Schneider said. "Dukakis has got to make a compelling case in order for people to risk a significant change. It's not clear to me he made that breakthrough. So my view is that he's still behind and has an uphill battle."

Democrats around the United States expressed relief that the

Massachusetts governor used the debate to respond sharply to the attack on his values that Mr. Bush launched a month ago.

"I was so tired of this business of letting Bush pound on him and question his patriotism," said Robert Slagle, the Texas Democratic chairman, "that frankly, had Dukakis not done well in this debate, I would have scheduled my time for the rest of this campaign on state and local races."

"Having listened to him last night," Mr. Slagle added, "I was impressed. The presidential race is back at the top of my list."

The prevailing view of political professionals of both parties was that Mr. Dukakis was the better debater Sunday night in the forensic sense, while Mr. Bush emerged as the more likable figure.

"I thought Dukakis came across as sharper, sparer and tougher in his presentation," David Garlin, a Democratic consultant, said. "But you wouldn't want to have a beer with him. There is a tightness about him, an underlying smugness that I thought came across in the debate."

Several consultants said that Mr. Dukakis was at his least effective in handling the question put to him by the ABC anchorman Peter Jennings about whether he was a technocrat who had no "passion" about the great issues of his era.

"He didn't sound very humanistic in handling that question — he was more like a robot," Linda DiVall, a Republican pollster, said. "Bush was more meandering and there were a few gaffes, but overall, he probably came across as more human and likable than Dukakis — which is something no one would have guessed a couple of months ago."

Others said Mr. Bush profited by highlighting the ideological schism between the two.

David Keene, a Republican consultant, said that "Bush, less expertly than his partisans might have hoped, made his ideological points, while Dukakis very articulately declared himself a domestic and foreign policy liberal."

"Now you have an ideological contest clearly defined," Mr. Keene added. "That means the dynamic of the race remains with Bush. He's the one who has been defining the race away from competence, to the question of where people stand."

Charles Black, another Republican consultant, added: "Dukakis did a better job of sticking with his script, but it's not a script he can win with."

A pollster for Mr. Bush, Robert Teeter, said that a "focus group" his campaign conducted in Toledo, Ohio, yielded a dual result. The group of nearly 100 voters gave a slight edge to Mr. Dukakis in scoring the debate, but was more disposed to vote for Mr. Bush at the debate's end than before.

"I think the most important thing may have been the likability factor," Mr. Teeter said.

In another group monitored by an independent survey firm, 100 swing voters in Peoria, Illinois, registered their continuous reactions to the debate by turning dials to indicate agreement or disagreement. The debate did not significantly move undecided voters into one man's column or another's, but it solidified their support among those leaning to one candidate or the other.

THE HUSTINGS

ACLU Complains of Bush 'Slander'

NEW YORK (AP) — The executive director of the American Civil Liberties Union accused Vice President George Bush on Tuesday of "McCarthyite slander" against the organization during his debate Sunday night with Governor Michael S. Dukakis.

In the debate, Mr. Bush said, "I don't want my 10-year-old granddaughter to go into an X-rated movie." He added: "I don't think they're right to try to take the tax exemption away from the Catholic Church. I don't want to see the kiddie pornography laws repealed. I don't want to see 'Under God' come out from our currency. Now, these are all positions of the ACLU and I don't agree with them."

The official, Ira Glasser, said: "That kind of slur, that kind of McCarthyite slander, in characterizing what the ACLU does, is outrageous and it does not characterize what the ACLU is about." He was referring to the 1950s anti-Communist campaign of Senator Joseph McCarthy, in which many people were labeled as Communist sympathizers without proof. Mr. Glasser denied that the ACLU was involved in a lawsuit seeking to remove the tax exemption of the Roman Catholic Church or that the group favored child pornography.

On Monday, the president of the ACLU, Norman Dorsen, said that the organization opposed tax exemptions for churches on the grounds that they amount to a government subsidy of religion. He emphasized that the organization's position applied to all religious groups, not just the Roman Catholic Church. Mr. Dorsen said that the ACLU position was that makers of child pornography should be prosecuted but that the material itself should not be censored. Mr. Bush has repeatedly attacked Mr. Dukakis for being a "card-carrying member" of the civil liberties union.

Republicans Target Military Voters

WASHINGTON (NYT) — There are 1.3 million military personnel stationed in the United States, and the Republicans want their votes. In an effort to target military personnel for the presidential election, the Republican National Committee recently obtained a computerized list of addresses for all active-duty military personnel in the United States.

The committee obtained the tape last month, and turned it over to Republican state party organizations across the country. A spokesman for the Democratic National Committee said he had not heard of the list and knew of no plans to obtain it.

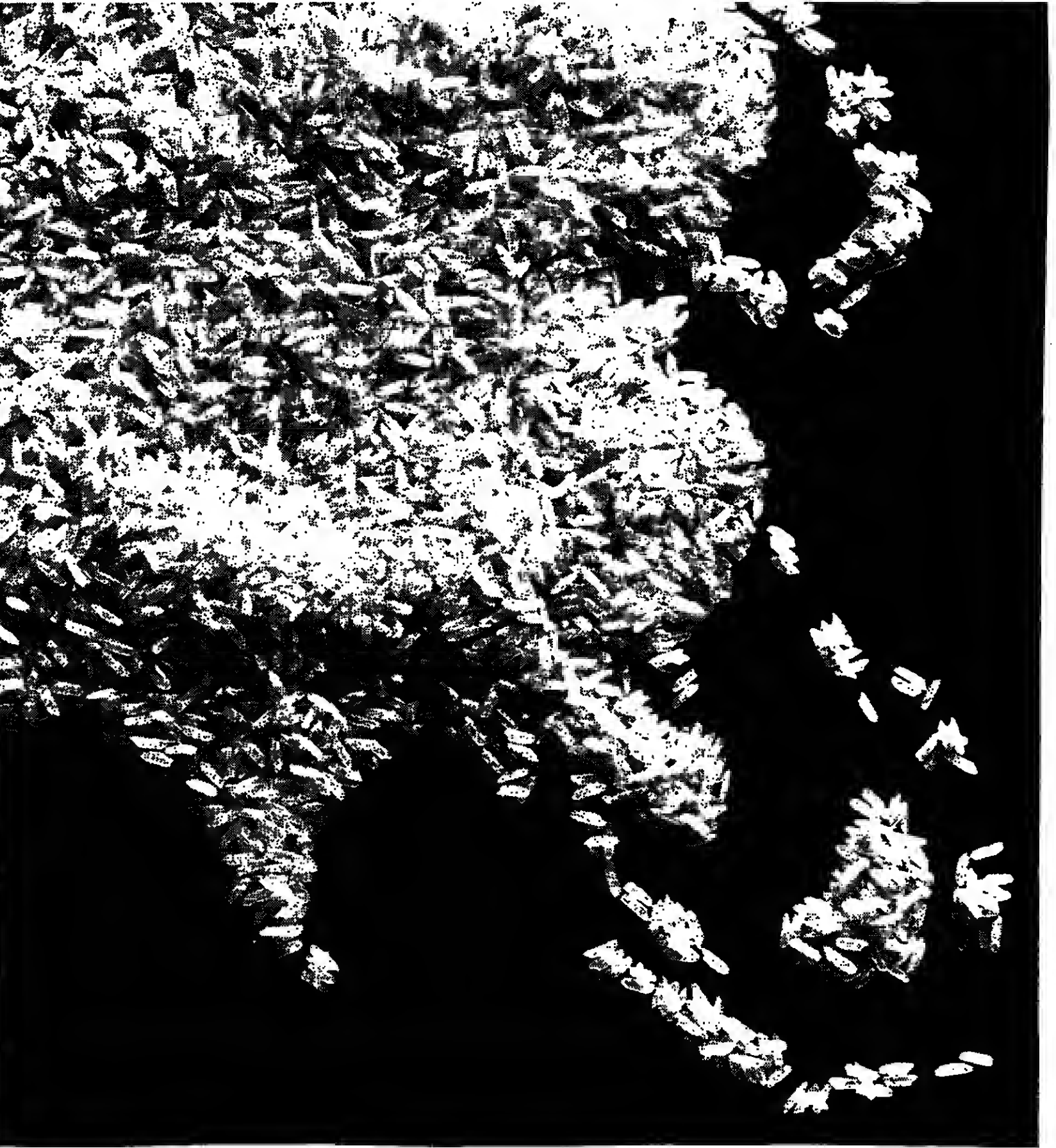
USIA to Provide Coverage of Voting

WASHINGTON (AP) — The U.S. Information Agency will broadcast 24-hour coverage of the Nov. 8 elections on its Worldnet television satellite network to Europe, Africa, Latin America, Asia, Australia, the Middle East and the Caribbean.

Worldnet, created in November 1983, broadcast similar coverage during the last presidential elections, and has considerably expanded its audience since then, a USIA spokesman said Monday.

Worldnet ordinarily transmits 17 hours of coverage every weekday to 95 countries, the spokesman said.

Here's what you'll find on our menu: Karachi, Bombay, Bangkok, Singapore, Jakarta, Manila, Hong Kong, Beijing, Seoul and Tokyo.



Swissair is part of everyday life in the Far East. Whether you fly there and back, or from city to city, it will be well worth your while to consult our timetable. Because we offer you not merely service to all business centers in Asia, you also can choose from various departure days and times (including the swift polar route to Tokyo). And on all our aircraft, we let you select the Class of your preference: luxurious First, comfortable Business or pleasantly-priced Economy Class. Which of our Far Eastern specialities may we serve you? swissair

In Polls, Voters Score Debate Even And See No Reason to Switch Sides

The Associated Press

NEW YORK — National polls have confirmed what many viewers of the televised presidential debate Sunday had figured out for themselves: It led few voters to switch candidates.

"It's a wash," Larry Hagick, political pollster for Gallup, said of the confrontation between Vice President George Bush and Governor Michael S. Dukakis. "What we found is that the debate simply reinforced the image that voters had of these men prior to the debate."

One national survey found "major gains in stature" for Mr. Dukakis, but that poll and three others rated the confrontation a tie overall.

None of the surveys found much change in voter preferences as a result of the debate, the first between the candidates, and most found relatively narrow movement in underlying opinions of the candidates.

But Mr. Dukakis, the Democrat, did better than expected at standing up under pressure and at appearing "more presidential," a Los Angeles Times poll found, and Mr. Bush lost ground in his rating on being able to handle the federal deficit.

The Republican candidate, however, improved his ratings in the poll on holding down taxes, controlling crime and maintaining the national defense, and more voters rated him as likable than had expected before the debate.

The outcome was rated even overall: 35 percent of the 637 voters polled by the newspaper said Mr. Dukakis won the debate, 34 percent picked Mr. Bush and 29 percent called it a tie.

Similarly, in a Gallup Poll for Newsweek, 42 percent said Mr. Dukakis did the better job and 41 percent said Mr. Bush did better; in an ABC News poll, 44 percent said Mr. Dukakis won to 36 percent for Mr. Bush; and in a CBS News poll, 42 percent said Mr. Bush won to 39 percent for Mr. Dukakis.

All the splits were within sampling error. The polls were conducted Sunday night by calling back voters who had been interviewed before the debate and who had said they intended to watch it.

As in pre-debate polls, Mr. Bush was rated higher on national defense — 63 percent to 31 percent in the Gallup Poll of 337 voters — while Mr. Dukakis scored better on compassion, 51 percent to 33 percent. The two were rated even on being able to create needed changes and on having the ideas to foster good economic conditions.

ABC's poll of 639 debate watchers indicated a possible "silver of movement" toward Mr. Dukakis, said John Brennan, a poll analyst. When polled before the debate, the 639 favored Mr. Dukakis in the election by 48 percent to 46 percent; when called back after the debate, they favored him by 52 percent to 45 percent.

But the CBS poll of 415 voters found the possibility of incremen-

tal movement the other way. That group favored Mr. Bush by 49 percent to 44 percent before the debate and by 52 percent to 43 percent after it.

In any case, "Over 90 percent of each man's supporters stayed with him through the debate," Mr. Brennan said. "And that is the way these things go. Even if it's a knockout, the effect on the horse race is usually marginal."

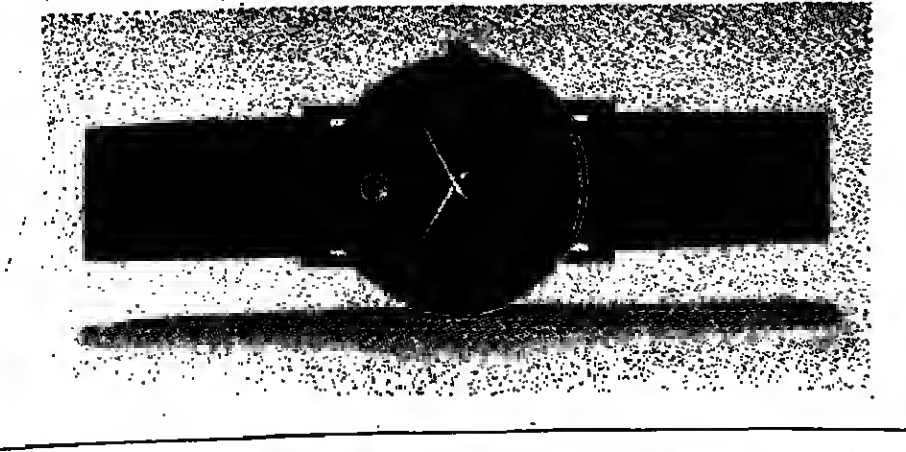
On the movement in Mr. Dukakis's stature, the Los Angeles Times poll found that before the debate, respondents were split on who would stand up better under pressure, with 36 percent picking Mr. Bush to 35 percent for Mr. Dukakis. After the debate, 48 percent said Mr. Dukakis had stood up better, to 24 percent for Mr. Bush.

U.K. Bookies Back Bush

British bookmakers said Tuesday that they favored Mr. Bush to win the election, although they felt Mr. Dukakis narrowly won the televised debate, Reuters reported from London.

The bookmaker William Hill said it ranked Mr. Bush as the 1-to-2 favorite, with Mr. Dukakis 11 to 8 against, after the debate.

Ladbrokes took no bets on the debate, but also thought Mr. Dukakis came out slightly ahead. Ladbrokes ranked Mr. Bush the 8-to-13 favorite to win the election with Mr. Dukakis 11-10 against. That means punters would have to put down 13 pounds on Mr. Bush to win 8 pounds and 11 pounds on Mr. Dukakis to win 11.



The Movado® Sapphire Museum® Watch: A futuristic interpretation of a classic in modern design. Stark, sleek, ultra-black and high-tech in appearance and actuality.

MOVADO. The Museum.Watch.

Available at: TÖRLER PARADEPLATZ 8001 ZÜRICH TÖRLER STORCHENGASSE 8001 ZÜRICH TÖRLER ZÜRICH-AIRPORT TERMINAL A+B TÖRLER MARKTGASSE 3 3011 BERN

Overhaul of U.S. Welfare Mandates Job Training

By Spencer Rich

Washington Post Service

WASHINGTON — House and Senate negotiators have reached agreement on sweeping changes in the U.S. welfare system that would shift its emphasis to job training, basic education and work programs for parents in an attempt to move them into the work force.

It would be the first major revision of the welfare system in 53 years.

Under the existing welfare program, called Aid to Families with Dependent Children, there are no minimum requirements, but are nominal work requirements, but are given time only about 6 percent of recipients have been working.

Mr. Bentsen, who is chairman of the Senate Finance Committee, said the landmark bill would cost \$3.34 billion over five years and that the administration had accepted the proposal.

Under the bill, welfare parents with children over age 3 would be required, to the extent that funds were available, to enroll in state basic education, job training, work experience and job search programs.

In fiscal 1990 and 1991, a state would be required to enroll at least 7 percent of eligible parents in the education and training programs.

That help would take the form of broadening East-West contacts and encouraging joint ventures between Soviet state enterprises and British companies that could teach the Soviets the principles of modern economic management.

Did the prime minister, who reduced the power of British labor unions and achieved a measure of economic turnaround in England,

To smooth the transition from welfare dependency to reliance on a job, the recipients would be assured of one year of day-care assistance and one year of continued family Medicaid eligibility after they had obtained a job and worked their way off the welfare rolls.

In addition, to help increase the income of welfare parents, the bill would require employers to deduct legally due child-support payments from the paycheck of an absent

parent, even if the payments were not in arrears.

Under the bill, all states would be required to provide benefits for families in which the father was present but unemployed. Half the states already cover such families voluntarily.

It has taken 20 years to get this bill enacted into law," said Senator Daniel Patrick Moynihan, a New York Democrat who was the chief architect of the legislation.

"We have rectified the whole question of dependency," he said. The conferees agreed to a five-

year cost of \$3.34 billion, as against \$2.8 billion that had been approved by the Senate and a House projection of \$7 billion.

The White House had repeatedly said that it considered many of the provisions in the House version to be merely benefit increases that could make welfare more attractive.

Most of the criticized provisions were dropped, and the administration won a major victory when conferees agreed to a Senate amendment requiring that in most two-parent welfare families, one

parent, typically the father, be required to work at least 16 hours a week in an unpaid community job or some similar work. This provision would be phased in from 1994 to 1997.

The president had said that without such a provision, he would veto the bill.

The conferees yielded to the House in delaying starting the work provision until 1994 and in agreeing to allow parents under 25 years old who had not completed their high school education to do so in lieu of the work requirement.

ISRAEL: 2 Palestinians Are Killed by Plastic Bullets

(Continued from page 1)

ground leadership of the uprising, aligned with the Palestine Liberation Organization, and its new competitor Hamas, the Islamic resistance movement, published leaflets denoting the day as a full strike day. That meant all shops and businesses were closed, so West Bank and Gaza Strip residents were free from work to demonstrate.

In addition to four deaths on Monday, at least 68 people were wounded.

Asked Tuesday if that was too many injuries, Mr. Rabin said the figures were "not important."

The important point, he said, is that Palestinians "get the message that whoever participates in demonstrations will suffer."

"The number of injuries doesn't indicate an escalation," he continued. "It expresses, in my eyes, the better ability of soldiers to achieve their mission."

As for the shooting at demonstrators, Mr. Rabin said, "Our aim is to hit those involved but not to kill them."

Usama Baraka, 17, of the Khan Yunis refugee camp in the Gaza Strip, died of gunshot wounds Tuesday, Palestinians said. Doctors at Nasser Hospital in the refugee camp said he had been shot through the heart.

The death Tuesday brought to at least 245 the number of Palestinians killed by Israelis since the uprising began last December.

is to hit those involved but not to kill them."

Usama Baraka, 17, of the Khan Yunis refugee camp in the Gaza Strip, died of gunshot wounds Tuesday, Palestinians said.

Doctors at Nasser Hospital in the refugee camp said he had been shot through the heart.

The death Tuesday brought to at least 245 the number of Palestinians killed by Israelis since the uprising began last December.

Philip Dougherty, Ad Columnist of Times, Dies at 64

New York Times Service

NEW YORK — Philip H. Dougherty, 64, advertising columnist of the New York Times, died in his sleep Tuesday at his home in Queens, apparently from heart failure, according to his wife, Dorothy Pat Dougherty.

Mr. Dougherty's column had appeared five days a week in the Times since October 1966, and his morning broadcast, "Advertising News of the Day," was in its eighth year as a feature on radio station WQXR.

It was the substance of his column that made Mr. Dougherty an influential figure in the advertising world, a circumstance that he would deprecate because he always saw himself as a newspaper reporter and never regarded himself as a member of the field he covered.

Locusts Infesting Senegal

The Associated Press

DAKAR, Senegal — Locusts moving south from Mauritania have infested the coastal regions of Saint-Louis and Louga, in northwestern Senegal, devastating fields of rice, sorghum and millet.



DISCOVERY MAY BE DELAYED — The Tracking and Data Relay System was loaded in the 60-foot-long cargo bay of the Discovery shuttle in preparation for launching on Thursday, but NASA officials say there might be a delay while the O-ring of a satellite booster is checked.

EC: Court Says Law Extends Beyond Europe Borders

(Continued from page 1)

tion's policy of applying competition rules in a coherent and nondiscriminatory manner to restrictive practices wherever initiated, which have an impact on competitive conditions and trade within the community."

The pulp case was not the first time the commission had fined companies outside the EC, but it was the first time that such action had been legally challenged and upheld. An EC official said the principle of extraterritoriality is "an old friend of ours," applied by the United States in seeking to extend its tax laws outside U.S. borders or in obliging foreign subsidiaries to obey U.S. laws on technology exports.

Although some legal experts said it might be difficult for the EC actually to enforce its rules outside the community, a commission spokesman said, "It's quite simple. If you want to do business in Europe, you have to pay up."

Peter D. Sutherland of Ireland, the EC commissioner in charge of antitrust, called the decision "a landmark."

He said it "confirms the commission's policy of applying competition rules in a coherent and nondiscriminatory manner to restrictive practices wherever initiated, which have an impact on competitive conditions and trade within the community."

When an American court penalizes a European company for failing to comply with U.S. rules, it pays up, too, if it is a decent country. These are procedures that civilized nations have."

The court rejected a claim by a Finnish pulp manufacturers association, Finncell, that the case should be dealt with under the bilateral free trade agreement between the EC and Finland. It said EC law took precedence. And it said the fact that Finnish manufacturers appear to have acted in collusion with U.S. Canadian and other manufacturers was another reason for removing the case from the terms of the bilateral agreement.

The court also rejected the view of the Canadian companies that the commission had violated Canadian sovereignty and acted contrary to the principles of international courtesy. Again, it said the EC's competition rules took precedence.

Canadian Olympic officials said Tuesday that Johnson had been tested eight times, all with negative results, since February 1987. The last time they are sure he was tested was last February, at the Canadian indoor track championships. But they are reasonably sure he was tested by officials of the International Amateur Athletic Federation at the Grand Prix meet in Zurich on Aug. 17, when he and Lewis raced for the first time since the world championships the previous October.

He was not tested at the Canadian Olympic Trials in Ottawa in early August. Because drug testing is expensive, only two of the three medalists in each event and a third entrant chosen at random were tested; Johnson happened to be the medalist not tested in his event.

"He had a 33 percent chance he wouldn't get picked, and by the luck of the draw he wasn't," said Abby Hoffman, the director general of Sport Canada, the federal agency responsible for amateur sports in Canada.

In Seoul, a Swiss decathlon competitor, Christian Gugler, reflected the feelings of many athletes in saying prize money lay at the root of doping.

"For half a million dollars I might do it," he said.

"They do enhance performance," Dr. Voy said. "But they have side effects. The short-term effects in men are enlarged prostate, hair loss, shrunken testicles. The long-term effects are liver dysfunction, premature aging, hypertension."

"There have been a few examples of carcinoma of the liver. Somebody in the Soviet Union had a blood cyst on the liver and hemorrhaged and died. And we don't know what happens at 35 to football players who took it when they were 24."

"I do know that the Soviet Union is very concerned about it. They let us know that they are having 2 1/2 times the incidence that we are having. We are working very closely with them, and some fascinating agreements could come out of it."

It is time to save athletes from steroids and from themselves. The benediction of a temporary Olympic champion might save the lives and health of many other athletes — if they are paying attention to the reason Ben Johnson had to go.

SHAME: Johnson Home in Disgrace From Olympics

Canadian Olympic officials said Tuesday that Johnson had been tested eight times, all with negative results, since February 1987. The last time they are sure he was tested was last February, at the Canadian indoor track championships. But they are reasonably sure he was tested by officials of the International Amateur Athletic Federation at the Grand Prix meet in Zurich on Aug. 17, when he and Lewis raced for the first time since the world championships the previous October.

He was not tested at the Canadian Olympic Trials in Ottawa in early August. Because drug testing is expensive, only two of the three medalists in each event and a third entrant chosen at random were tested; Johnson happened to be the medalist not tested in his event.

"He had a 33 percent chance he wouldn't get picked, and by the luck of the draw he wasn't," said Abby Hoffman, the director general of Sport Canada, the federal agency responsible for amateur sports in Canada.

In Seoul, a Swiss decathlon competitor, Christian Gugler, reflected the feelings of many athletes in saying prize money lay at the root of doping.

"For half a million dollars I might do it," he said.

"They do enhance performance," Dr. Voy said. "But they have side effects. The short-term effects in men are enlarged prostate, hair loss, shrunken testicles. The long-term effects are liver dysfunction, premature aging, hypertension."

"There have been a few examples of carcinoma of the liver. Somebody in the Soviet Union had a blood cyst on the liver and hemorrhaged and died. And we don't know what happens at 35 to football players who took it when they were 24."

"I do know that the Soviet Union is very concerned about it. They let us know that they are having 2 1/2 times the incidence that we are having. We are working very closely with them, and some fascinating agreements could come out of it."

It is time to save athletes from steroids and from themselves. The benediction of a temporary Olympic champion might save the lives and health of many other athletes — if they are paying attention to the reason Ben Johnson had to go.

At the world championships in Rome last year, Dr. Voy was sorry he blurted out criticism of the testing after no athlete tested positive. His words sound even more prophetic in light of the Johnson fiasco, and two Bulgarian gold-medal weight-lifters going home, and an Australian pentathlon competitor being sent home while insisting somebody tampered with his drink.

Until Tuesday, there was still a tendency to suspect carmen when one athlete talked about another. In Moscow in 1986, two American

pole-vaulters wondered what Sergei Bubka of the Soviet Union was taking. In Rome in 1987, Carl Lewis said "champions in this meet" were using steroids. And the other day, Evelyn Ashford said that only a man could beat Florence Griffith Joyner in the 100-meter dash. Moscow.

Dr. Voy says there are ways to guess whether an athlete has gone on a steroid program, which can add 15-25 pounds of muscle in an 8-12 week cycle.

"The first thing you look for is changes," Dr. Voy said. "You look at pictures of them two years ago and what they're like now. The second thing you look for is drastic improvements."

The International Olympic Committee recently approved a year-round, off-site testing policy. Dr. Voy does not propose "a SWAT team approach," knocking on an athlete's door, but he thinks a letter summoning an athlete to a test in a day or two would work fine.

The Canadians, who run a strict program, may advocate testing even more now than they did a few days ago.

"Either we decide to seriously deal with drugs in sports or we turn a blind eye and carry on with the hypocrisy," said Abby Hoffman, the director general of Sport Canada, the federal agency.

Two By Two To The U.S.A.



The Perfect Business Arrangement.

Pan Am understands just how much a business traveler needs room to work and unwind. So we've arranged our Clipper® Class with seats that are 6 across. Two by two by two. Of course, most of our competitors try to squeeze you in 8 across. And that's too bad.

First In First Class Service.

Pan Am also offers the business traveler the incomparable experience of our First Class. Here you're treated to gourmet cuisine and personalized service. And here you're cradled in Sleeperette® seats which let you stretch out all the way to America.

The Business Bonus.

We do even more for you once you land in New York. We give you a complimentary limousine right into the heart of the city. Or we can help you connect to flights to over 50 cities across the U.S. and Latin America. You even get exclusive use of our Private Terminal.

So call your Travel Agent or Pan Am and make arrangements to do business with us. You'll find we're perfect for each other.

Number one across the Atlantic.

PAN AM

Warfare
Third World
and Soviet
White House
Sale to Kuwait
Winter
Your Best Buy
Business Bargain
Your Office
Your Athens
Daily
for
International
Travelers.

ARTS / LEISURE

'Sugar Babies' An Overdose

By Sheridan Morley

LONDON — When I first saw "Sugar Babies" on Broadway almost a decade ago I was distinctly underwhelmed, and seeing it again in a London premiere at the Savoy I remembered why. The idea that the burlesque celebrates and embalms "real theater" is terrifying enough, but what is so awful about the evening is the nauseating

reaches an all too welcome finale there is a specialty act by a superbly downbeat and defeatist juggler named Michael Davis, who is alone worth the price of admission.

Out at the Watermill in Newbury, and hoping to make its way to the West End, Tina Howe's "Painting Churches" is a curious little three-act conversation piece that ran lengthily off-Broadway but might in Britain be more at home in the middle of a radio afternoon than on a stage. In New York, Howe seems to be regarded as Chekhovian, perhaps because in this case at least she is concerned with a vanishing breed of Bostonian poets and painters being overtaken by the harsher economic and relative values of a world in which Pulitzer prizes cannot be cashed in to pay for places in old people's homes.

You have only to compare the acerbically witty and touching way that A.R. Gurney dramatizes the same lost-WASP territory to realize that Howe is less of a playwright than a portrait-sketcher. Donald Moffat from the original production turns in a crustily eccentric impression of the old poet who was once up there with Frost and Pound, but Dilys Hamlett as his long-suffering wife and Paula Wilcox as the daughter desperate for their admiration and her own emancipation, are a lot less happy with the accents or the atmosphere of this ramble around the old family skeletons up on Beacon Hill.

At the King's Head in Islington, Martin Sherman's "When She Danced" is a darkly hilarious account of the chaos of Isadora Duncan's marriage to a suicidal and alcoholic Russian poet with whom she shared an active sex life but no word of any common language. Way past her prime, desperately fund-raising in Paris, still determined to found the dancing academy to ensure her immortality, Isadora is, in Sheila Gish's superbly over-the-top portrayal, a heroine worthy of Tennessee Williams.

There is an equally meretric performance from Angela Hesse as the money and repressed interpreter, brought in to make some linguistic sense of the household shambles but progressively reduced to silence by the impossibility of translating either Isadora or her equally hysterical consort into any known language. Sherman's script and Tim Luscombe's agile production on that tiny pub-theater stage brilliantly capture Isadora in a sustained midlife crisis.

THE BRITISH STAGE

mentality with which it plunders a showbiz tradition that ought to have been allowed to die a natural death circa 1930.

Unlike vaudeville or revue or music-hall, or any of its more interesting and honorable cousins, burlesque relied on all that was lazy and prejudiced in an audience. It traded on appalling sketches, unmemorable songs, a kind of nudging male-dominated sexuality, and a belief that a bit of slapstick and a few old gags would make up for a total lack of theatrical invention. Burlesque was the popcorn of American entertainment, ultimately sickening if taken in doses as heavy as "Sugar Babies."

The show also trades on movie nostalgia of its stars. Truie Ann Miller has "Easter Parade" and "On the Town" and "Kiss Me Kate" to her celluloid credit, but in the legend stakes she falls some way short of Ginger Rogers or even Cyd Charisse, while Mickey Rooney, once a fascinating Puck for Max Reinhardt, is unlikely as a song-and-dance man to threaten the memory of Fred Astaire, Gene Kelly or Jack Buchanan.

What is so terrible about "Sugar Babies" is its assumption that mind-bendingly awful routines acquire fascination through age. Admittedly these are not helped at the Savoy by a supporting cast apparently assembled to be the least possible threat to the stars. Miller's announcement that she feels a song coming on is more of a threat than a promise, and when you have seen her tap those relentless toes a hundred times, you are faced only with the ghastly prospect that she is going to do it for another hundred. Meanwhile Rooney's stage technique must be the most uneventful since people used to hypnotize each other in front of paying customers.

Apart from a breathtakingly kinky striptease performed with flying doves (though not by Miller), the only thing to be said in favor of "Sugar Babies" is that just before it

'Paul Robeson' Is Resurrected

By Michael Kaufman

NEW YORK — When Phillip Hayes Dean's play, "Paul Robeson" first opened on Broadway 10 years ago, it captivated under an attack of black intellectuals who issued an open letter charging the play with trivializing its subject, the prodigiously talented singer, actor, athlete and social crusader.

This week the play is returning to Broadway without a murmur of dissent. "The entire experience has involved great pain and yes, now, there is some vindication," said the black author, who added that his career went into a decade-long eclipse after he was accused of distorting and misrepresenting the character of Robeson.

"I never did understand what the attackers were upset about. It was all murky and full of innuendo."

"Once in the heat of the argument back then I referred to those who signed the open letter as the House Un-black Activities Committee, trying to draw a parallel between what they were doing to the play and the kind of treatment that Robeson himself had received from the Congressional Committee on Un-American Activities."

"What I remember most was that I was writing the play about a man I admired and my mother was then dying and I was being attacked by well-known and highly respected black people for something that no one could quite pin down. They seemed to feel that my characterization of Robeson did not conform to their vision of the man."

"Well, obviously my vision was not the only one and I never said it was or that it should be."

Actually, the open letter, which was submitted as an ad in Variety in 1978, before the play opened, declared:

"We, the undersigned members of the black community, having seen the production or read versions in progress, regrettably feel compelled to take the extraordinary step of alerting all concerned citizens to what we believe to be, however, unintended, a pernicious perversion of the essence of Paul Robeson."

There were 56 signers, among them, Alvin Ailey, Maya Angelou, Coretta Scott King, Julian Bond, the late James Baldwin and Paul Robeson Jr.

Some of the signers noted in interviews that the show business aspects of Robeson's life were played up while his role as a political dissenter and activist was played down.

During one public debate at the time, Baldwin said that in Dean's play Robeson, who was then played by James Earl Jones, was portrayed as "a chocolate John Wayne."

Later, when Carl Stokes, the black news-caster and former mayor of Cleveland did a critical program on the open letter, he reported that some signers admitted they had neither seen nor read the play but offered their names in solidarity with those who asked for them.

Though the signers did not call for a boycott, pickets turned out at the theater where the play originally opened.

In reaction, 33 prominent playwrights, including Arthur Miller, Edward Albee, and Ed Bullins, the black dramatist, issued their own statement deploring attempts "to influence critics and audiences against a play."

Today, Paul Robeson Jr., who some other signatories claim was the moving spirit behind the initial protest, still objects to the play but not so vociferously and he thinks the produc-

tion that is opening at the Golden theater is far superior to the one that spurred his indignation 10 years ago.

"I still think that in its lines the play was about somebody else, not my father," he said.

"But I also feel that Avery Brooks, who plays my father in this performance, has gone beyond the lines to communicate a convincing portrayal. "I have seen this production and I congratulate the actor and the director on this production, though I repeat, I still feel the character as written is a counterfeit."

The younger Robeson says that the language of the Variety ad reflected the temper of the times "as any political statement would," but he said he saw no reason to apologize for it.

"Does not a family or a people, have the right to protect or challenge the representation of a person they knew well?"

Dean, the playwright, finds much of such reasoning and much of what has befallen his play to be mystifying reflections of shifting zeitgeist.

"Not a line in the play has changed," he said. "It is the same now as it was then, but now it is attracting good reviews and large audiences of blacks and whites."

He said he is gratified that the play has attracted young people some of whom he said had "lamentably never heard of the man."

After a period that he described as one of pain and fury, Dean's faith in the play was rewarded when in 1983 Harold Scott, the director, staged "Paul Robeson" at the Crossroads Theater in New Brunswick, New Jersey, with Brooks in the title role.

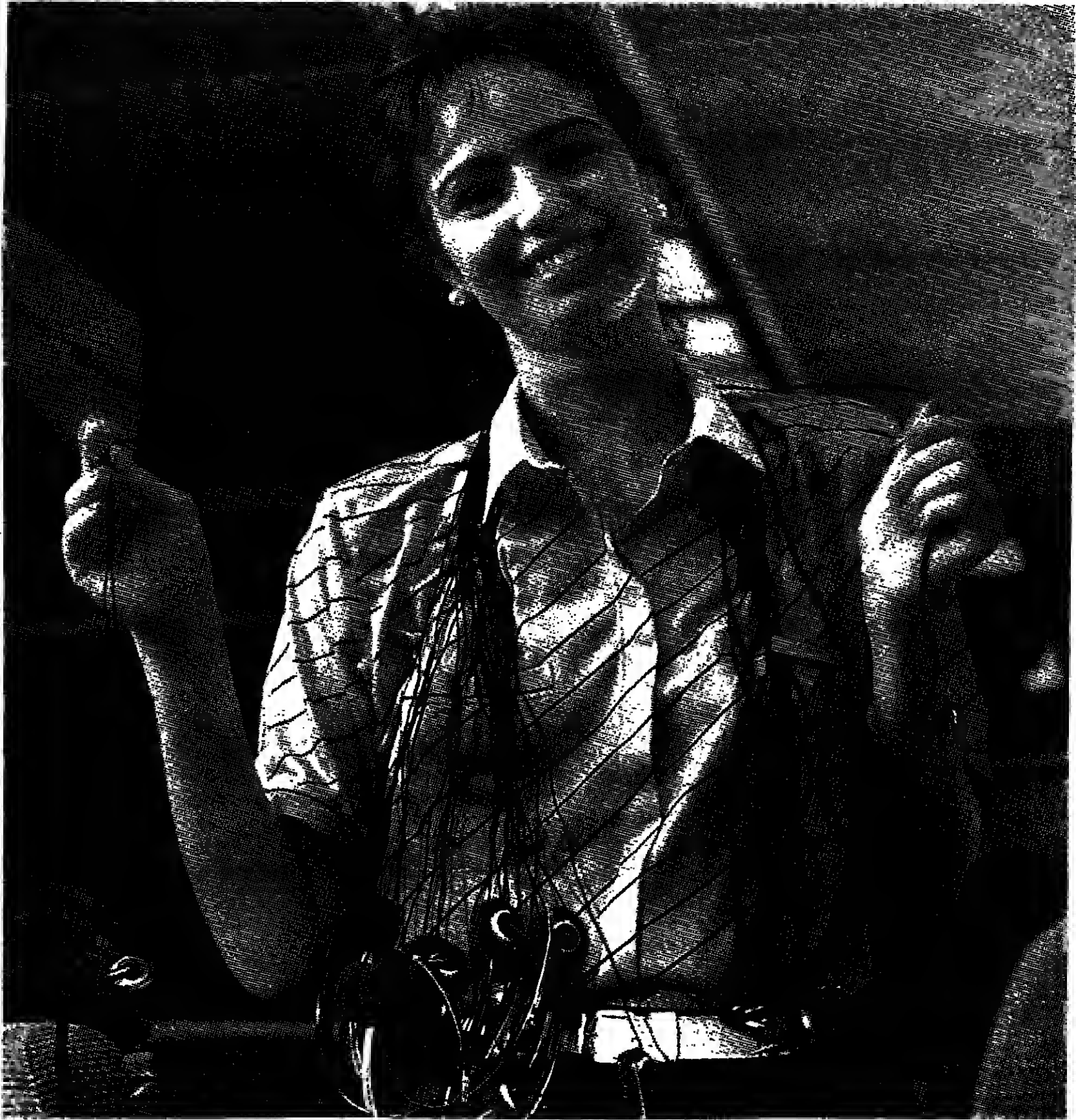
Both he and Brooks were teaching at Rutgers, Robeson's old school.



Ernie Scott at piano and Avery Brooks as Paul Robeson.

"I enjoyed your music programs very much. Could you send me a copy?"

This is an authentic passenger statement.



Call 1-800-368-3683. It's easier or more economical to subscribe to the International Herald Tribune. Just call your toll-free number below and tell the operator which subscription period you prefer. You may pay by credit card or we will invoice you or your company.

Table with 5 columns: Country/Currency, 2 months (\$2 free issue), ONE-YEAR SAVINGS, 6 months (\$2 free issue), 3 months (\$13 free issue). Rows include Austria, Belgium, Denmark, Finland, France, Germany, Gr. Britain, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and various regions.

INTERNATIONAL Herald Tribune. To: Subscription Manager, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: (1) 46 37 83 61; telex: 612832; fax: 46 37 93 70. Please enter my subscription for: 2 months (FREE issues), 6 months (FREE issues), 3 months (FREE issues). My check is enclosed. Please charge my credit card.



Herald Tribune

Reagan, Internationalist

President Reagan was in a mellow mood at the United Nations on Monday, offering not merely a review of his policy but also a plea to prayer.

Americanism is less evident in General Assembly deliberations, and internal reforms are bringing back American money.

Bankers in Berlin

Even more than most, this year's financial meetings under way in West Berlin are devoted to discussions rather than decisions.

The banks have developed useful precedents in the swaps of their loans for equity in enterprises in the indebted countries.

Aim Higher Next Time

Ideally, one purpose of presidential debates is to give voters a sense of how the candidates handle themselves in an atmosphere approaching spontaneity.

attack demons that have dogged them from the beginning. Peter Jennings, a panelist, reminded Mr. Dukakis that he is seen as "passionless, technocratic, the smartest clerk in the world."

Other Comment

Out of the Lebanese Morass Lebanon, believe it or not, was once the envy of the Arab world. Today it sets a different standard as an example of how to turn a sophisticated, stable and prosperous society into a violent mess.

Originally, it more or less faithfully represented the demographic realities between Christian and Moslem. Today, no one knows what the reality is. A census has not been taken for decades, mainly because the Christians fear they are now so outnumbered that they would lose much of their influence.

Tobacco: A Final Prop Before the Roof Falls In?

By Irwin Stark

NEW YORK — Hold your breath. The R.J. Reynolds Tobacco Company has announced that, beginning Oct. 1, consumers can purchase Premiers, a new "smokeless" cigarette, in test markets in St. Louis, Phoenix and Tucson.

the flagrant immorality of the cigarette business has now become too transparent for any but the willfully blind to deny. Obviously, the industry is still legal. Just as obviously, it is a vicious social evil.

each year — seven times the annual death toll on America's highways. The surgeon general's report on cigarettes is based on more than 2,000 scientific studies.

that individuals are free to choose. Even the most dedicated advocate must admit that it is at least possible that cigarettes cause cancer and other diseases. Is the industry justified in the manufacture and sale of a product that may "possibly" cause the death of millions?

Campaign: At Last the First Debate Cleared the Air

By David S. Broder

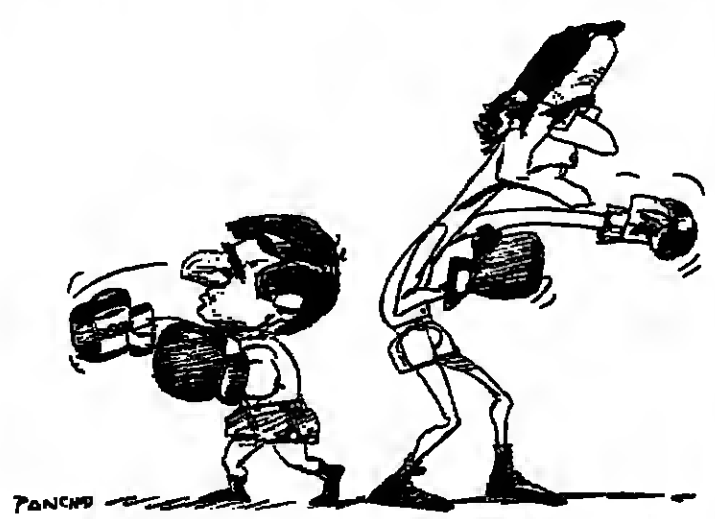
WINSTON-SALEM, North Carolina — The first debate of the 1988 presidential campaign did what debates are supposed to do. It did not decide the election, but it sharply clarified the voters' choice.

For a candidate who started the campaign by saying that "the issue is competence, not ideology," Michael Dukakis sounded like a man who had thought about, and acted on, these concerns.

his veto of a bill requiring teachers to lead the Pledge of Allegiance do tell you something about his values. Mr. Bush's acquiescence in the Reagan decision to ship arms to Iran says something about his competence — and his judgment.

grams — or the debts and deficits they inherit from their predecessor. But the choices are becoming plainer. Mr. Dukakis would put government more directly into the center of economic and social problem-solving.

would cut tax rates again, starting with capital gains. Given his drubbing, Mr. Dukakis would launch new government initiatives, starting with housing, health and education.



Doering by PANCHO in Le Monde (Paris)

No Debate Winner, but One Clear Loser

THE first Bush-Dukakis "debate" may not have produced a clear winner, but there certainly was a loser. It was candor.

Consider the handling of the excellent question put by Jim Lehrer: "What is there about these times that drives or draws so many Americans to use drugs?"

This Close Encounter Belonged to Bush

THE first close encounter between George Bush and Michael Dukakis was not all it could have been. But if one scores these things on how successfully the candidate achieved his goals, I think Mr. Bush was the "winner."

Dukakis Kept Mr. Jumpy on the Ropes

MAYBE I'm a pokey-head, but in the debate I saw, Michael Dukakis knocked George Bush around the ring for 90 minutes. Of course, I may not be the best judge of what plays. A small group of undecided voters assembled by The Washington Post found that Mr. Dukakis had turned nearly all of them off. He lost one of these voters at the opening handshake when he showed up 6 inches shorter than Mr. Bush.

Some People, Luckily, Are Hard to Fool

By A. M. Rosenthal

NEW YORK — Here is an encouraging thought to light the way: You can fool some of the people some of the time, but you cannot fool 37 percent of them any of the time.

throats of the undecided. That is to convince them that only George Bush stands between them and the destruction of what Ronald Reagan has accomplished — jobs and peace — and that there is worth in the high-wire gamble of a Dam Quayle presidency. It will demand more brains than brawn, but Mr. Dukakis has run the more dignified and adult campaign; every candidate is entitled to one silly tank ride.

100, 75 AND 50 YEARS AGO

1888: Mormons Barred

NEW YORK — The Commissioners of Emigration at Castle Garden today [Sept. 27] decided to send back twenty-two Mormon emigrants who lately arrived here, including fifteen children. They considered that all these ranked under the statutory designation of "paupers."

1938: Hitler's Response

BERLIN — Chancellor Hitler today [Sept. 27] sent the following telegram to President Roosevelt in reply to the President's peace plea: "Your cordiality has pleased me ... in the interest of the American people and in the interest of peace not to break off negotiations in the European problem and to try to achieve a peaceful settlement of this problem. Please understand that I fully appreciate the generous message that inspired you and I share in every way your views regarding the incalculable consequences of a European war. It is precisely for this reason that I am and am obliged to disclaim all responsibility of the German people and their leaders if, despite all my efforts, the evolution of the situation should lead to hostilities." In London, a voice filled with weariness, Prime Minister Chamberlain told almost the entire world by radio that he had done all one man could do to preserve peace, and laid squarely in Herr Hitler's lap the responsibility for the next war.

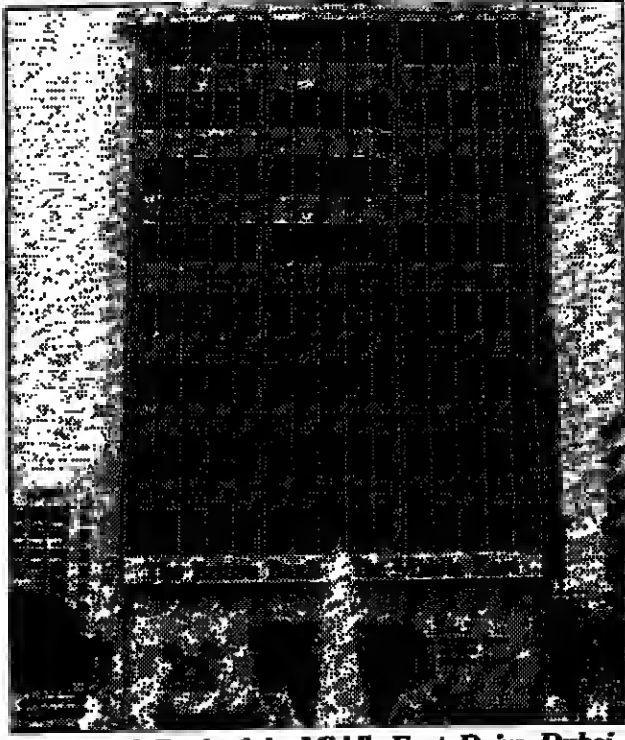
1913: 'Snow Bird' to Wed

PHILADELPHIA — From St. John's, Newfoundland, comes the report of the engagement of Miss Marie Peary, daughter of Rear-Admiral Peary, to Mr. Donald MacMillan, who was with Peary on his dash to the Pole. Miss Peary was born further north than any other white child in the world, her mother being the first white woman to land in an Arctic expedition. The name "Aningit," Eskimau for "Snow Bird" was bestowed upon the child, who is the subject of Mrs. Peary's book, "The Snow Bird." Mr. MacMillan heads the Crocker Land expedition.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCCO, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABE, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • JAMES R. CRATE, Business Financial Editor • RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISONS, Circulation Director • ROUF D. KRANEPUHL, Advertising Sales Director • KOURDY HOWELL, Director, Information Systems International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1)46.37.93.00. Telex: Advertising, 61395; Circulation, 61283; Editorial, 61278; Production, 63098. Directeur de la publication: Walter N. Thayer. Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511, Tel 472-7768. Telex: RSS5828 Managing Dir. Asia: Malcolm Glen, 30 Gloucester Road, Hong Kong, Tel: 5-8610616. Telex: 61170 Marketing Dir. U.K.: Robin MacKichan, 60 Long Acre, London WC2E, Tel: 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lauerbach, Friedrichstr. 15, 6000 Frankfurt/M., Tel: (059) 726733. Telex: 416721 Pres. U.S.: Michael Carroll, 650 Third Ave., New York, N.Y. 10017. Tel: (212) 538-3898. Telex: 637178 S.A. au capital de 1.300.000 F. RCS Nanterre B 332011. Directeur Général: M. G. 61337 © 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

Banks Report Profit Rise Amid Cautious Optimism

EVEN before the announcement of a cease-fire in the Iran-Iraq war, the Arab banking community was shedding its pessimism and looking forward to a more settled year to come. The need to make huge loan-loss provisions for both regional and Third World debt seemed to be abating, with the prospect of higher earnings by the end of December. Government moves to clear up the debris left from the collapse of the Kuwait Stock Exchange in 1982 and to resolve legal disputes in Saudi Arabia over the payment of interest were paving the way toward a renewal of bank lending. Last but not least, banks were encouraged by the new opportunities provided by the issue of state debt in several Gulf countries, where the recession of the past few years has created a huge amount of liquidity but very few good credit risks.



The British Bank of the Middle East, Deira, Dubai.

The effects of the cease-fire in August, most local bankers feel, will take time, and an end to the recession cannot be expected within the next few months. Nevertheless, they are heartened by the prospect of important reconstruction contracts in Iraq and Iran, a renewal of trading opportunities with the two populous countries and the possibility of a rise in oil prices during the next year provided OPEC can enforce discipline on quotas.

In Kuwait, volume on the stock exchange surged 150 percent immediately after the announcement of the halt in hostilities and both bankers and businessmen were in a buoyant mood. Dr. Paul Chenquelly, senior economist at the National Bank of Kuwait, says opportunities will be particularly brisk in transit

trade, while the rise in construction projects will provide Kuwait banks with a much needed opportunity to expand their credit lines.

Cautious optimism was also reported in Saudi Arabia, which will benefit from access to peaceful shipping lanes as well as a possible oil-price rise. In the United Arab Emirates the focus is on wholesale commercial opportunities that are now expected to arise in Iran. Central Bank Governor Abdul Malik al-Harazi already plans to set up a joint financial committee with Tehran by the end of the year. Bahrain, with its causeway to Saudi Arabia, could also benefit from the reexport trade with Iraq and Iran after a year in which its vital offshore banking-sector has been badly hit by both the regional recession and the big loan loss provisions made at the end of 1987.

In Saudi Arabia, eight of the top banks which have released their half-yearly results reported sharp rises in

earnings. Riyad Bank, the second largest, showed a 21 percent increase in net profits by the end of June to 68 million Saudi riyals, or \$18 million, up from SR 56 million, or \$15 million, at the end of June 1987. Saudi American Bank (SAMBA), which is 40 percent owned by Citibank, tripled its net profits to SR 121 million (\$32 million), while Arab National Bank, the joint venture between Jordan-based Arab Bank and Saudi interests, reported earnings of SR 116 million (\$31 million), up 44 percent. Bankers attributed the good results to rising interest rates, cuts in operating expenditure and a drop in loan-loss provisions.

Elsewhere, the National Bank of Kuwait reported a 5.1 percent rise in net profits at the end of December despite a difficult year. Total profits were 26.7 million Kuwaiti dinars (\$94 million), almost as much as those of the country's five other banks put together. Return on assets reached

0.88 percent, just ahead of Gulf Bank's 0.84 percent. Bahrain's Arab Banking Corporation (ABC) managed to achieve net profits of \$68 million at the end of last June, up from \$58 million a year ago, despite an increase in loan-loss provisions. Customer deposits for the ABC group as a whole, which include subsidiaries in Europe and the Far East, rose 8 percent during the first six months of 1988 to \$14 billion. The Gulf International Bank achieved an after-tax profit of \$25.4 million for the first six months of 1988, representing an increase of 14.3 percent with assets of \$8.8 billion. Mr. Abdulla H. Saif, chairman of the board of directors, said the results reflect an improvement in earnings through sustained penetration of trade finance markets and a strong performance from treasury operations.

The highest marks, however, have gone to the National Bank of Dubai. With \$103 million in profits last

year and a return on assets figure of 1.79 percent, it showed the best performance of any commercial bank in the Gulf. Unlike many of its competitors, it has enforced an extremely conservative policy on lending and so escaped the need to reschedule loans to clients adversely affected by the recession. The National Bank of Abu Dhabi — the second largest in the Emirates — showed a loss in 1987 of \$38 million after setting aside \$64 million to cover bad debts. The Bank of Oman showed steady improvement, with a 0.70 percent return on assets and profits last year of \$18 million.

After a decade in which the emphasis has been on creating a presence in the international markets, Arab bankers are realizing that the costs, and the risks, of expanding abroad can be very high. The syndicated loan market, which attracted them to London, has declined and many of the biggest institutions which were funded by recycled petrodol-

lars have had their fingers burned lending to Latin America and other Third World countries.

The costs of operating a branch in New York, London or Singapore can be prohibitive, and competition for qualified managerial staff is fierce. Moreover, since last October's fall in world stock markets, their Arab clients, both public and private, have been reluctant to take the risks involved in investing in sophisticated new financial products that carry greater risks. Yet with foreign assets estimated to total some \$350 billion, including both official and private investments, and huge private wealth earned during the days of the oil boom, the Gulf states and other parts of the Arab world have a surplus of funds that Arab banks could be in a prime position to manage.

One of the oldest and most respected Arab institutions, the Amman-based Arab Bank, is putting new emphasis on both private banking and on Treasury

management in an effort to make the best use of its own considerable resources.

With assets of \$13.5 billion and customer deposits of \$12.5 billion, but loans of only \$3.5 billion, it is one of the few Arab banks to have emerged unscathed from the Latin American and regional debt problems. With its direct funding from Gulf oil producers, it is expanding its international corporate loan portfolio through its London branch, where a new Treasury team — recruited from such respected names as Bankers Trust, First Chicago, Citibank, Morgan Grenfell and Lloyds — has been built up under Elie El Hadi, formerly managing director at Al Rajhi Company for Islamic Investments.

Sources close to the bank report that the branch, which has 25 percent of the institution's total balance sheet but which had been losing money, is now in the black after only six months. Benefiting from its direct contacts with prime corporations in Europe and its ability

to buy assets from other banks and to participate in their loans, it is expected to do even better in the coming year. Chairman Abdulmajid Shoman and his board of directors have built up a solid reputation for security and conservative banking practices that many in the Arab world feel is unparalleled. As one banker close to the group pointed out, "This is a bank which lost its assets in 1948, in 1967, in 1973 and at other times through nationalizations of various kinds. Yet the depositors have always received their money."

Few expect the Arab Bank to drop its highly conservative policies, but with its new presence in international corporate lending, its ability to compete with the best on interest rate spreads and its huge reserves, it could provide a new direction for Arab international banking, while at the same time taking advantage of the growing opportunities to develop home markets.

— Pamela Ann Smith

"The Need for Greater Pan-Arab Cooperation"

The Arab Bankers Association of North America recently named Mr. Mohammad Abdul-Mohsin Al-Kharafi, chairman of the National Bank of Kuwait, as banker of the year. In this interview with Anthony Richard, he talks about changes past and present in the Gulf region.

THE National Bank of Kuwait, founded in 1952, was the emirate's first bank and public shareholding company. NBK is now Kuwait's largest bank with a balance sheet totaling more than \$11 billion. Its domestic expansion and subsequent international development has taken place over years of immense structural change in the region.

According to Mr. Mohammad Abdul-Mohsin Al-Kharafi, NBK's chairman since 1979, the most profound changes in business life in Kuwait and the Gulf relate to the emergence of broader and more sophisticated attitudes among business managers, entrepreneurs and government officials.

This qualitative development reflects the vastly expanded number of commercial, service and investment transactions in the area during the past 35 years of oil-fueled growth. But this trend has become most evident during the last 15 years when professional executives throughout the Gulf have risen to the challenge of competing in a global marketplace on the strength of an overall corporate strategy.

"A successful banker in the Arab world has to be able to discern the difference between fashionable and trendy innovations which constantly emanate from the world's financial centers and the basic needs of Arab individuals and corporate managers whose business mentality is deeply embedded in the rich and ancient traditions and social customs of our part of the world," Mr. Al-Kharafi maintains. He adds: "The relatively hectic, even tur-

bulent, era in our region since 1974 has rewarded those institutions which have been able to appreciate this fundamental fact and to implement their corporate strategies accordingly."

The main influence on Mr. Al-Kharafi's own ca-



Mr. Mohammad Abdul-Mohsin Al-Kharafi.

reer has been his father. "He taught me patience, business ethics and common business sense," he says. He considers his main achievement as a banker to have been participating in a team effort at NBK, which has built a banking group that "dominates its home market and is professionally respected around the world."

"I am pleased that the NBK Group has achieved three key objectives: We have consistently responded to the expanding local and international needs of our home clientele; we have harnessed and mastered financial service ex-

pertise from the world's leading financial markets; and we have forged credible institutional links among banks and financial companies in Kuwait, other Arab countries and the leading industrialized countries," he says.

According to Mr. Al-Kharafi, NBK's consistently profitable performance in the last few years reflects four key factors: first, stability and depth in senior management, "many of whom have been with the bank for several decades." This in turn has led to "a consistent strategy whose focus is on basic banking services geared to our home-market retail and corporate clients whom we know well."

From a strong home base NBK has successfully, though selectively, expanded abroad "with the twin aims of adapting some global financial services and products to the needs of our Gulf clientele, and of providing an international network of branches, subsidiaries and affiliates which has helped us better serve our international corporate clients in Kuwait and the Gulf."

A fourth important factor is that NBK has "shunned unduly risky business, untested markets and unproven financial instruments, preferring instead to concentrate our human and financial resources on what we see as our natural business, which is directly linked to our substantial home market in Kuwait and the Gulf."

Why has NBK expanded outside its home area? Mr. Al-Kharafi explains: "Our dominance of the Kuwaiti market was firmly established by the late

1960s, and was confirmed and consolidated during the high-growth, post-1974 boom years.

"We felt it was our role, as the biggest and oldest Kuwaiti bank, to follow our domestic clients and to serve them as their businesses and personal interests expanded around the world. We needed branches, subsidiaries or affiliates in the world's leading financial centers in order to keep up with the many new developments in banking products and services."

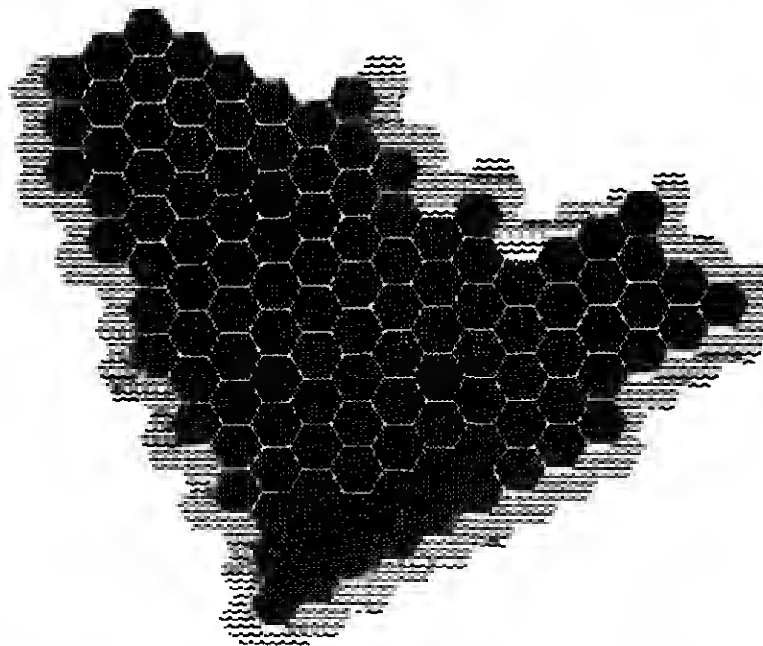
As far as the end of the Gulf war is concerned, opportunities are expected to be created during reconstruction in Iraq and Iran.

Regional cooperation is also seen by NBK's chairman as important for the future. Several factors should help it along, including "the recognition by an increasing number of Arab banks and financial institutions that regional cooperation is imperative for the establishment of a solid and meaningful pan-Arab financial system."

However, Mr. Al-Kharafi cautions: "The relatively brisk movement of foreign banks and financial institutions in and out of our area in the period since 1974 has opened our eyes to the fickle nature of many international firms; we recognize that Arab institutions have to play the leading role in providing financial intermediation and investment advisory services in the next phase of Arab economic development, and for this to happen in a secure and rational manner there has to be a more emphatic framework of pan-Arab cooperation."

— Anthony Richard

CATALYST FOR GROWTH



Gulf Investment Corporation was established by the six GCC states in 1984 to contribute to regional growth and development by creating and assisting opportunities for profitable investment.

An essential ingredient for success is stimulating the private sector in expanding the Gulf's manufacturing, agricultural and service industries. We fulfill our objectives by initiating sound and commercially viable opportunities, and by establishing and funding various industries jointly with local and other investors.

We also provide a wide range of investment and financial services. These include: portfolio management, investing in capital and money market instruments, foreign exchange and deposit activities. In addition, we provide loans and arrange bond and equity issues. We are active in providing financial advisory services.

The potential for growth and profits in the Gulf is immense. We are accelerating our efforts to tap these opportunities.

Gulf Investment Corporation is a source of expertise, resources and knowledge.



مؤسسة استثمار الخليج للاستثمار
GULF INVESTMENT CORPORATION

The new shape of investment in the Gulf

• Mails: P.O. Box 3402, Safar 13054, Kuwait • Couriers: Joint Banking Centre, Kuwaiti Real Estate Bank Building, Kuwait • Telephones: (965) 2431911 • Telex: (496) +4002-23146 GICORP KWT • Telefax: (965) 2448994 • Cable: GICORP •



بنك قناة السويس
SUEZ CANAL BANK

Started its activities in June 1978
Authorized capital LE 20 million
Issued and paid up capital LE 15 million
Latest total balance sheet LE 1710 million

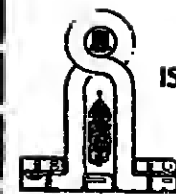
Assumes all aspects of banking activities in Egyptian and Foreign currencies.

Commercial Activities
Accepts deposits & opens current accounts, letters of credit and issues letters of guarantee . . . etc.

Investment Activities
— Finance and participates in development projects in various sectors.
— Renders technical & economic services for investment projects.

Main Branch located at:
11, Mohamed Sabry Abou Alam Str.
Cairo - P.O. Box 2620
Telex: 22391 - 93652 - 21716
- 23532 SCB UN - Tel: 3931033/3931066/3931215

Branches:
Cairo - Alexandria - Fort Said - Suez -
Ismailia - Giza - Moadi - Heliopolis -
El Mohandseen -
Tanta & Dokki
(for Islamic Dealing)



بنك التعاون الدولي
ISLAMIC INTERNATIONAL BANK
FOR
INVESTMENT AND DEVELOPMENT

المصرف الإسلامي الدولي للاستثمار والتنمية

HEAD OFFICE AND MAIN BRANCH
4 Addy St., Mesaha Square, Dokki, Cairo,
P.O. Box 180 Orman - Giza.
Tel: 20 2 3489973-75-76 & 80
Telex: 21492 22442 & 22443 IBID UN
Fax: 20 2 349 8501
Cable: ISLAMA SRAF - Cairo.

OTHER BRANCHES
* El-Menia Tel: 20 86 32 69 51
* Tanta Tel: 20 40 32 00 20
* Mansourah Tel: 20 50 32 85 41
* Alexandria Tel: 20 3 48 35709
* Maarouf Tel: 20 2 74 80 49

Investment Market Matures, Broadens Base

SINCE 1973 most bankers, intermediaries and commentators have looked at the Arab world and seen only one factor — petroleum revenues. Such a simplistic point of view would base the potential investment value of the Arab world on just two criteria: world demand for OPEC oil, and the price per barrel.

Yet running successful investments into or out of the Arab world in the late 1980s has little or nothing to do with day-to-day supply and demand equations in world oil markets.

Experts cite their balance sheets and the continuing capital outflows from the Gulf as evidence of the fact. Their views are well-founded on market lessons which have largely been ignored or misunderstood by the many European and American institutions currently slashing their Middle East departments.

Market experts such as Faisal Kundi and Abdul Rahman Al-Sa'li, both partners in London's specialized investment house Capital Trust (Mr. Al-Sa'li is also a former director general of the Arab Investment Company), dismiss the argument that capital inflows to the Gulf bear any necessary and direct relationship to the demand for servicing capital outflows efficiently. There are now sufficient Gulf capital resources to create a demand independent of oil-related revenues.

Their view appears to be shared by institutions such as Kuwait's National Investments Company (KFIC), or Saudi Arabia's investment houses such as SIFD or pan-Gulf bodies such as Investcorp. A real, sustained and considered expansion in Gulf investment is just beginning,

both internally and externally, but on a much more stable footing than in the days of easy optimism a decade ago.

The restructuring of Kuwait Foreign Trading, Investment and Contracting Company's plans provide one example. As Chairman Abdullah Al-Gabandi says: "The company's strategy is aimed at ensuring balance sheet quality and the Company has taken various decisions, implemented at the end of 1985 and during 1986. During 1987, the Company further assessed this strategy, leading it to rationalize its operations



Mr. Ghazi Alnatisi, chairman, National Investments Co., Kuwait.

and direct its emphasis to merchant banking activities in Kuwait and the industrialized nations of the world.

Unlike those of most Western institutions, these managers recognized that while sheer volume of investment initially came from governments, that volume was largely oriented to conservative instruments. Occasional entrepreneurial exceptions include the Kuwait Investment Office, which has taken substantial equity positions in prime Western enterprises, not least its

controversial stake in British Petroleum.

What many institutions, especially in the West, failed to recognize was that government surpluses were not the be-all and end-all of Gulf needs to service capital overflows.

All the GCC governments ensured that a proportion of oil revenues flowed directly into their domestic economies. The vast sums spent on economic development surfaced as private sector wealth (most of which could not be effectively reinvested locally), but quite simply because of insufficient demand and an undeveloped capital market infrastructure.

Thus the corporate and personal sectors remain fruitful ground for domestic institutions, in a market increasingly deserted by the Western institutions.

One regional enterprise responding to changed market conditions is the Gulf Investment Corporation. As Chairman Ibrahim Abdul-Karim points out, in 1987 the corporation made a commitment to invest in 10 GCC projects, with total financial requirements of about \$800 million. A further 33 projects are under active consideration.

It has also been active in the management of six Kuwaiti dinar bond issues, the so-called Camel Bond Market, which attracted much international interest in the early 1980s. A sign of the times, too, is the undertaking of financial consultancy assignments for GCC companies, expansion in fixed income instrument trading, the introduction of international equities trading and substantial expansion in staff. The approach is also reflected in balance sheet growth: up to \$1,560 billion

in 1987, compared to \$1,311 billion for 1986.

For the Arab institutions, whether domestically or internationally based, the options are clear. After all, if on the one hand you have an effective monopoly on supply side information in specialized market segments, and have developed demand side expertise as well and are then faced with market vacuums, there are significant possibilities. On the other hand, if you depend on capital-saturated domestic markets or other players' assessments of risks in Third World markets, you probably deserve what you get.

Investment ideas are coming from many quarters. Arab Insurance Group (ARIG) has analyzed the opportunities, but also sounds a clear warning. As General Manager Nooruddin A. Nooruddin says: "Arab countries will continue their industrial development, especially now that prospects for peace in various parts of the Arab world are better than at any time in the past decade. New ventures using state-of-the-art technology are expected to emerge, many of which will be oil-based projects in petrochemicals, gas liquefaction, chemical fertilizers and oil refineries; there are infrastructural requirements such as water desalination, electricity generation, utilities and services."

The Arab Petroleum Investments Corporation (APICORP), one of the most successful of the pan-Arab investment companies, with both a clear focus and a wide mandate to fulfill its mission, would be likely to agree with ARIG's analysis.

Diraz Alghanim, chairman of the Kuwait Financial Centre (KFC) and a highly regarded commentator on Arab and international financial affairs, is today one of the Kuwaiti "bulls."

Over the past decade, his deals and investments have provided a barometer of Gulf financial markets. Like Seraj al-Baker, late of Arab Banking Corporation and the Kuwait International Investment Company and now international manager of Kuwait's Alahli Bank, Mr. Alghanim was one of the first to detect



Mr. Nooruddin A. Nooruddin, general manager of ARIG.

and warn against the overheating of the Kuwaiti private sector, which resulted in the disastrous crash of the unofficial stock exchange, the Suq al Manack, in 1982.

National Investments Company Chairman Ghazi Alnatisi, although speaking of Kuwait, reflects the mood of professionals throughout the region, and also Gulf bankers and institutions operating abroad, when he notes: "A mood of cautious optimism clearly prevails. The cease-fire combined with the increasing probability of oil price stability will certainly create opportunities. With opportunities, however, comes risk. Investors who

have learned their lessons from the past will do well. Investors who have not will do poorly. Those who understand and monitor their risks closely should do well. Those who do not will suffer. Those who spread their risks in an intelligent manner will do well. Those who do not will repeat the mistakes of the past. We in the investment community must clearly broaden our market base during this time of opportunity if we wish to be market leaders at the end of the century."

— Christopher Ogg

Islamic Banking Expands

SEVENTEEN years after Egypt's Nasser Social Bank first pioneered the modern revival of Islamic banking, the sector has come of age in the Arab countries and in other parts of the Moslem world. After the first flush of success in the late 1970s and early 1980s, when the Dar al-Mal al-Islami (DMI) and Al-Baraka groups attracted hundreds of millions of dollars of deposits from the faithful in the wake of the huge oil price rises, a new realism is apparent.

Profits, while quite respectable, are not as staggering as they once were. Islamic banking, like its more conventional rivals, has been affected both by the regional recession and by the loss of confidence and extreme volatility which is dominating the world's capital and money markets. Competition is growing, and Arab governments, particularly in Egypt, are taking a more active role in supervising their Islamic finance houses.

Dispite this, the attraction they have to hundreds of thousands of Moslems remains undiminished. Many are expanding their investment funds and public share offerings. Now several big Western institutions, such as Citibank, Credit Suisse First Boston and Britain's Kleinwort Benson, are also setting up financial instruments based on Islamic principles, partly in recognition of the huge demand that exists for them in a part of the world which still has enormous private wealth and untapped savings.

Market share has increased

While profits and average returns on assets have fallen from the highs recorded earlier in the decade, the attractions of Islamic banking in the Arab states are evident in the growth of their market share. Jordan Islamic Bank for Finance and Development has increased its deposits by an average of 52 percent a year since 1980.

In Kuwait, the Kuwait Finance House reported a

10 percent growth in deposits last year; in 1986, it held just over 18 percent of the total deposits in the country, a threefold rise on the figure six years earlier. Bahrain's two Islamic institutions, Bahrain Islamic Bank and Al-Baraka Islamic Investment Bank, together held just under 16 percent of total deposits in the country in 1986, a 15-fold increase over the 1980 figure, while in Qatar Islamic Bank recorded a market share of 10 percent in 1986. In 1984, the year after its establishment, its share was only 6.7 percent. The Dubai Islamic Bank in the United Arab Emirates has also trebled its share since 1980 and in 1986 this amounted to just over 3 percent of all local domestic deposits.

In Egypt, where Islamic institutions have thrived since the influx of workers' remittances from the Gulf states, it is estimated they hold as much as 30 percent of the \$42 billion kept in private deposits. However, new government regulations limiting the amount

of deposits relative to their capital are expected to cut into their share.

Al-Rajhi flotation oversubscribed

By far the biggest development in Islamic banking this year, however, has been the flotation of Al-Rajhi Banking and Investment Corporation (ARBIC). Saudi Arabia's largest money changing company. A share offer in June for 43 percent of its equity was almost eight times oversubscribed, and the transition to a public concern will make it the kingdom's largest bank in terms of branches and third largest in terms of assets. Moreover, with a capital base of \$750 million (\$200 million), it is larger than the four largest banks in Saudi Arabia combined.

New fund established

Al-Rajhi's success in attracting private funds, from both big and small investors, may explain why several Western institutions are also taking a new look at Islamic banking.

— Pamela Ann Smith

Taking our name apart could mean a great deal for you



Kuwait
With our home in one of the Middle East's foremost financial and commercial centres, we're well-placed to act swiftly and responsively in the financial markets, project financing and real estate development.

Foreign
Our operations take us into over 20 countries in all five continents. In these foreign parts (foreign but not strange to us), we are involved in projects that range from mining and manufacturing to tourism, hotel management, banking and agriculture.

Trading
By tradition, Kuwaitis are traders and our institution is no exception. Financing international trade is one of our specialisations. Securities and foreign exchange dealing are among our daily activities.

Contracting
Though not building contractors as such, we are involved in all aspects of real estate including design, construction supervision and management.

Investment
We are a diversified financial institution as active in the international capital markets as in portfolio management for institutional and individual clients.

Company
On the outside, our activities might look diverse, but we are a company of concerted and co-ordinated skills and resources. Taken individually or together, they could mean a great deal for you.

Kuwait Foreign Trading Contracting & Investment Co. (S.A.E.)
P.O. Box 5665 Safat, Kuwait
Telephone: 2449081 Telex: 22021



A creative approach to finance



The National Bank of Dubai Ltd.

Service to match our name ...

In our third decade of service to the Gulf we continue to offer the same standards of professionalism and dedication to our clients' interests as those we established when our charter was granted.

We offer a complete service for banking transactions throughout the United Arab Emirates and with all principal countries in the world.

Established 1963 under charter granted by His Highness Sheikh Rashid bin Saeed Al Maktoum, Ruler of Dubai and its Dependencies.

Authorised Capital..... Dh. 1,000,000,000
Paid Up Capital..... Dh. 861,769,000
Reserves..... Dh. 1,830,884,000

بنك دبي الوطني للتجارة
THE NATIONAL BANK OF DUBAI LTD.



Head Office:
P.O. Box 777, Dubai, U.A.E.
Telephone: 222241/5-222255/8
Cables: 'NATIONAL' Dubai
Telex: 45421 NATNAL EM

London Branch:
207 Sloane Street
London SW1X 9XN
Telephone: 0 245 6921
Telex: 269711

Egyptian Banks Stimulated by New Regulations

BANKERS in Egypt are breathing a sigh of relief. Unlike their colleagues in the Gulf, however, this has less to do with the ending of the Gulf war than with the regulation of the Islamic investment houses, their domestic rivals. But while the government's moves in this direction this summer may help ease the country's foreign exchange shortage and enable Egypt's companies to resume payments on some of their foreign debts, managers at world giants like Citicorp and Chase Manhattan are reported to be still cautious.

In the past year, several of the 60-odd foreign banks established in Egypt, either on their own or in joint ventures, have announced plans to reduce their presence in Cairo. Many will wait to see how the larger economy is affected before giving in to guarded optimism.

The new law, passed in June, was finally clarified in August. Economy Minister Houssri Mustapha announced that the unregulated firms would have the choice of going public and submitting to state supervision or of closing down within the next two years. Most, such as the big Al-Rayyan, Al-Saad and Badr investment houses, have elected to stay open and to comply with the new regulations. These include the public declaration of their balance sheets, a limit on deposits — to ten times their capital — and measures to ensure that their funds, whether foreign currency or Egyptian pounds, are channeled through the official banking system, as well as special provisions to provide more security for investors.

For Egypt's four big state-owned commercial

banks — the National Bank of Egypt (NBE) and Banque Misr in particular — the clampdown should help remove the drain in foreign currency that has hindered banking activity in the country. Hassan Eissa, assistant manager of NBE, notes that the Islamic houses, which give depositors a share in profits rather than fixed interest payments, had been absorbing most of the vital hard currency remittances sent back to the country to the 2 million Egyptians working in Saudi Arabia and the Gulf states.

The new limits on the amount of deposits they can take, he explains, include a ceiling of 50 million Egyptian pounds on their capital. "This will limit the amount of money they can collect in both hard currency and Egyptian pounds to [the equivalent of] 500 million Egyptian pounds per institution." As a result, he points out, "more hard currency will flow into the banking system."

"The measures," he adds, "will help to relieve some of the pressure on hard currency resources, especially as those companies will be limited to what they can get from the market." Other bankers feel that many Islamic companies will now be forced to invest more funds locally. The Al-Sharif Group, one of the most respected of these institutions, has already maintained an impressive record of industrial investment in Egypt, and its bigger competitors, they say, may now have to follow suit, even if this produces smaller returns for their investors than, say, trading in gold bullion on world markets.

Local bankers have already been encouraged by

the currency reforms enacted in May last year, when, in response to pressure from the IMF, the government enacted a basic two-tier system of exchange rates as part of a plan to completely eliminate the thriving black market. NBE estimates that 90 percent of remittances from abroad are now going through the banking system, as opposed to only 30 to 40 percent before the reform. Official estimates are that some \$10 million a day is now channeled through the banks, as opposed to only \$200,000 a day previously, including both remittances and hard currency earnings from tourism.

The banks are also facing severe controls on credits and lending and, increasingly, are worried about possible defaults by their private and corporate customers. As part of the package agreed upon with the International Monetary Fund 18 months ago, the government agreed to limit inflation, now running at some 30 percent a year, by imposing a ceiling on bank loans. This, the government felt, was preferable to raising limits on interest rates, currently about 13 percent, which might hamper foreign investment in the country. Since then, banks have been told to hold their increases in fresh credits to only 2.5 percent, although in some cases this has been raised to 5 percent. As a result, business expansion has slowed, imports are down and trade finance, an important activity for the banks, has been particularly affected.

The introduction of the two-tier exchange rate system has also meant, in effect, a severe devaluation of the Egyptian pound. This has created problems for

private customers who have borrowed abroad and who must repatriate profits to foreign partners in hard currency. While the banks have benefited from the influx of foreign exchange, there are now fears that the combined pool may be insufficient to deal with these needs, especially when tight controls on credit are in effect. The government has promised to look at the problem of private sector foreign debt, estimated to total some \$3 billion, but so far only very informal rescheduling operations have been put in place.

Foreign banks look for new role

The changes in the exchange rates have also added to the problems faced by foreign banks, which were already suffering from the shortage of hard currency and the growth of private sector foreign debt.

Since the reforms in May 1987, Chase Manhattan has decided to close its representative office, while Citibank has reduced its staff in Egypt to less than one-third. Two British banks, Midland and Lloyds, have cut back staff as well and the Royal Bank of Canada has pulled out altogether.

In contrast, most of the country's 11 joint venture banks, which are allowed to deal in Egyptian pounds, have remained reasonably optimistic. The Egyptian American Bank, a joint venture of American Express and the Bank of Alexandria, reported a 115 percent rise in profits last year, to 21.7 million Egyptian pounds, while total assets rose 37 percent to just over 1.3 billion Egyptian pounds.

The end of the Gulf war is also adding to the optimism, despite continuing fears about inflation and the growing public debt,

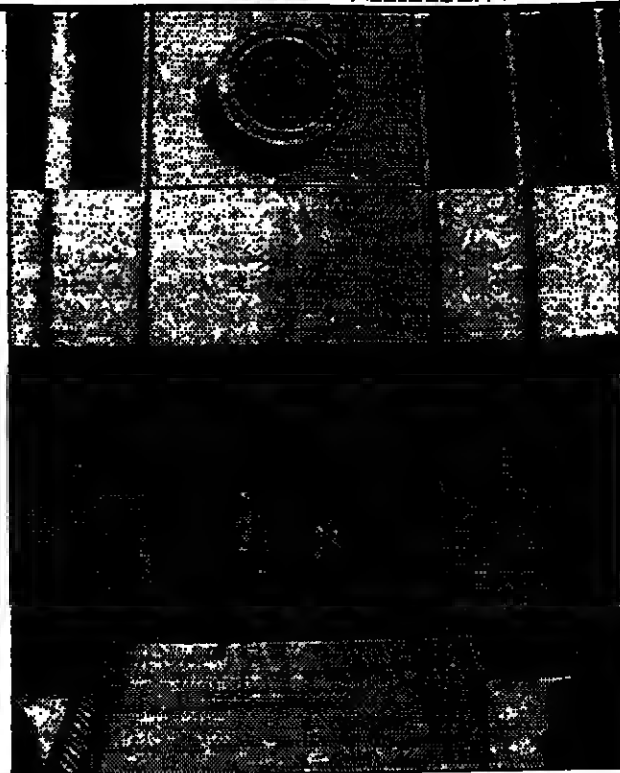
now estimated to total some \$50 billion. Plans are under way to widen the Suez Canal, and Egypt could stand to gain from the huge reconstruction contracts planned in Iraq, where one million Egyptian workers and farmers have helped to maintain the country's economy during the war. Tourism shows no sign of abating, having risen by an impressive 60 percent last year.

For some banks, especially those with the foresight to have taken advantage of Egypt's newfound respectability among its Arab neighbors, the results have already been encouraging. Commercial International Bank, the merchant banking subsidiary of NBE, achieved a remarkable 18 percent return on equity last year, while the return on assets amounted to 1.5 percent. Net profits before tax were 46 million Egyptian pounds (\$20 million). Arab International Bank, an offshore banking unit set up in 1974 by the governments of Egypt, Libya, Qatar, the United Arab Emirates and Oman, as well as other Arab interests, is now Egypt's top-rated bank having moved up the list compiled by Capital Intelligence of Cyprus from B to A.

The Suez Canal Bank has reported a 16 percent return on its equity in 1987, with total assets of 1.1 billion Egyptian pounds. Among its latest projects is an 11-story, \$8 million commercial center and car park in downtown Cairo. It will manage this through shareholding in El Bousan Commercial Center Company, a joint venture set up by the bank with other Egyptian and Bahraini interests.

Greater activity on Gulf stock exchanges is more likely in the future, following a recent agreement by the Gulf Cooperation Council allowing any GCC citizen to trade on the Kuwait exchange. It has also boosted moves for the much-talked-about Pan-Gulf stock exchange.

When the new Saudi



The Qatar National Bank, Doha, Qatar.

High-Tech Project Sought by Kuwait

AS Bahrain and Oman prepare to open their new stock exchanges, Kuwait is ready to spend \$11 million on implementing an automated trading system at its stock exchange. The closing date for receiving tenders has been extended so that European and American companies can prepare proposals for installing a system capable of handling 10,000 transactions a day — far higher than the present number, which are hand-chalked on boards by clerks.

Greater activity on Gulf stock exchanges is more likely in the future, following a recent agreement by the Gulf Cooperation Council allowing any GCC citizen to trade on the Kuwait exchange. It has also boosted moves for the much-talked-about Pan-Gulf stock exchange.

When the new Saudi

Stock Exchange opened last year, lack of activity in the private sector forced a temporary halt to business. However, subsequent public flotations caused a surge in interest among private investors, who are being urged to play a greater role in the development of the economy.

With the introduction of greater technology, particularly systems like the British Bank of the Middle East's Hexagon global electronic financial service, every investor can become his own banker. That is the view of Rick White, BBME's marketing manager in Dubai.

Hexagon is basically a private networking system linking customers to the full facilities of BBME's parent, the Hongkong Bank Group. BBME has been at the forefront of much of the technology in the Arabian peninsula and

was one of the first banks to introduce automated teller machines (ATMs) to the market. It has just scored another first, providing its UAE customers with a telephone banking service. At the same time, Qatar's four main banks are gearing up to introduce more technology.

Qatar National Bank is blazing the trail with a fully computerized retail and wholesale software system supplied by the British group, Kapit, operating out of its regional office in Dubai. The company already has a proven track record in Bahrain and the United Arab Emirates, and the QNB contract is worth around \$1 million.

Doha Bank, which recently moved into its new headquarters, will be the first with an extensive ATM network in Qatar, to be operated with the bank's own cash card. A Sharjah-based computer software company, Intersoft, is providing the Commercial Bank of Qatar with a computerized retail operation, to be followed later by automated remittance operations. Al-Ahli Bank of Qatar will be updating its system, too.

Many banks have taken the opportunity of a downturn in certain activities to modernize or install new dealing rooms to handle the growth in Treasury operations. BBME this year opened its high-tech regional treasury center in Dubai. The National Bank of Abu Dhabi has opened one of the largest dealing rooms of any bank in the area. Mr. John S.W. Coombs, NBAD's chief executive, says there has been an increase in confidence in the market and there are more opportunities for business. The bank believes that there is a growing need for specialist Treasury operations of the kind NBAD can now offer.

— Lee Voysey



البنك العربي الدولي

ARAB INTERNATIONAL BANK

BALANCE SHEET

June 30, 1988 and 1987
(Expressed in thousands of US dollars)

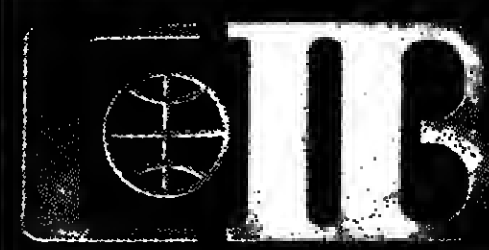
ASSETS	1988	1987
Cash and due from banks	36,036	39,003
Time Deposits	1,023,689	955,834
Negotiable certificates of deposit	208,000	150,000
Investments		
Marketable notes and bonds	44,438	45,612
Equity participations	106,078	108,952
Loans and advances, less provision	599,952	668,872
Accounts receivable and accrued interest	21,972	24,334
Property and equipment	49,757	33,914
	2,089,902	2,026,621
Customers' liabilities under credits, guarantees and acceptances	388,476	393,600
LIABILITIES AND SHAREHOLDERS' EQUITY	1988	1987
Demand deposits	175,327	172,988
Time deposits	1,613,285	1,542,430
Accounts payable and accrued interest	64,818	60,427
Proposed dividends	3,750	6,000
Total liabilities	1,857,280	1,781,845
Shareholders' equity:		
Share capital	150,000	150,000
Statutory reserve	34,488	33,532
General reserve	46,512	60,968
Retained earnings	1,622	276
Total shareholders' equity	232,622	244,776
	2,089,902	2,026,621
Liabilities under credits, guarantees and acceptances	388,476	393,600

Mr. ABDULLATIF A. EL KIB
Managing Director

Dr. MOSTAFA KHALIL
Chairman

Head Office:
35, Abdel Khalek Serwat Street,
Cairo, Arab Republic of Egypt
Telex: 95379 AIB, 92088 AIBEX UN
Telephone: 3918492, 3918391
Cable Address: ARABINBANK Cairo

Bahrain Branch:
Diplomat Tower,
Diplomatic Area Road No: 1705, Block 317,
Manama, Bahrain.
Telex: 9489 AIBBAH BN, 8538 AIBEX BN
Telephone: 551611



Commercial International Bank (Egypt) S.A.E.

Established in 1975 the Commercial International Bank, Egypt has an effective network of 12 branches spread out in the major Egyptian commercial cities.

Innovative, service oriented and responsive, we are active in all market segments and deal in Egyptian Pounds and most major currencies.

Our comprehensive banking and financial services include:

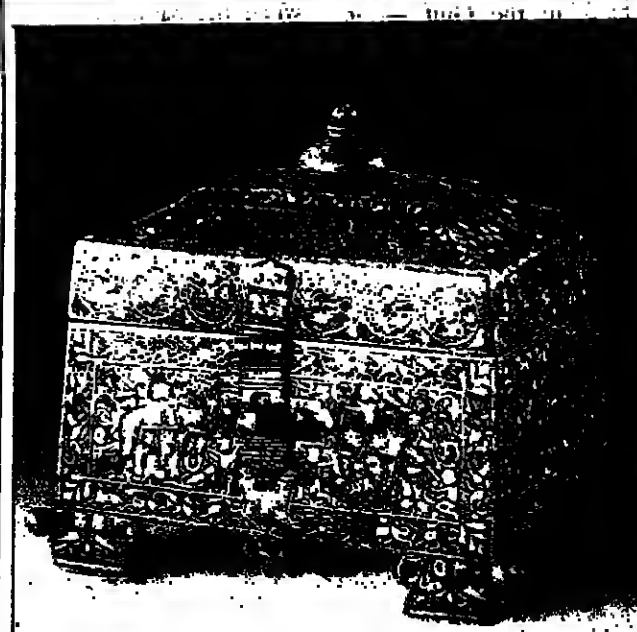
- Short and medium term financing
- Loan syndications
- Investment advisory services
- Equity investments
- Correspondent banking
- Letters of credit
- Foreign Exchange dealing
- Letters of Guarantee: Bid and performance bonds, and advance payment guarantees
- Current, savings, and time deposits accounts

The Commercial International Bank...
Committed to service...
Committed to quality...
Committed to Egypt.

	1988	1987
Loans	424	459
Total Assets	1,102	1,383
Total Deposits	774	1,005
Net worth	95	114
Net Interest Income of the year	45	53
Pre-tax profits for the year	33	46

Figures rounded to Egyptian Pounds Millions

The Commercial International Bank, Egypt S.A.E.
Main Office
P.O. Box 2430 Cairo
Telex 20201 CNBCA UN/92394 CNBCA UN



FROM THE OLDEST BANK IN KUWAIT COME SOME OF THE YOUNGEST IDEAS

The Bank of Kuwait and the Middle East, with almost half a century of service to business in Kuwait, has grown to be one of the country's most advanced banking institutions.

From the days when the bank's assets were locked in a room with iron bars over wooden doors, BKME has completely computerized its operations and built a highly trained staff capable of servicing our clients with the technical competence common in advanced countries.

Over the years, BKME has acquired the expertise in Middle East finance to offer complete banking services to multinationals, state enterprises and credit and loan institutions worldwide.

If you are looking for a bank to do business with in Kuwait or in the Middle East, look no further.



BKME

THE BANK OF KUWAIT & THE MIDDLE EAST K.S.C.

HEAD OFFICE: DAR WAZAT AL ABDULRAZZAK - P.O. BOX 1301 SAFAT, KUWAIT
PHONE: 549711 - TELEX: 2260 - TELEFAX: 26408 CABLE: BAKUWAIT KUWAIT
REG. NO. 43 - CAPITAL: 5000 AND FULLY PAID K.D. 4 30786 - ASH 31 DECEMBER 1987

Fresh Opportunities Focus Attention on Need for New Financial Instruments

A NUMBER of bankers and financiers see the end of the Iraq-Iran war (or at least the cease-fire) as an opportunity to create new products. One firm of London stockbrokers has been quick off the mark with a variant on "deferred lifting," which could create an alternative source of hard currency for debt-pressed Iraq. This of course assumes increased stability in the region. While most commentators accept this view, they also see no early increase in oil prices, and therefore no early or significant changes in the Arab world economies — other than Iraq's.

Others look to Saudi Arabia, the region's "swing economy," which for the first time in over two decades is considering the question of raising "commercial" money to fund a projected current account deficit of some \$10 billion (a deficit which should be

seen in the context of substantial, not to say massive, capital account surpluses). The kingdom, operating on the principles of Islamic or Sharia law, is faced with the challenge of creating financial instruments which are competitive with other international rates but avoid the problem of being related to "usury," unacceptable under Sharia law.

The longer-term problem is a thin secondary market.

By contrast, the Gulf domestic corporate sector is potentially grossly overfunded: too much money is chasing too few opportunities. Neither the Kuwaitis, who have twice experienced these conditions, nor the Omanis or Bahrainis, both of whom are currently exploring the establishment of national stock markets, wish to undertake the risks of overheating local markets. Yet this remains a powerful market in which

to invest, and a number of specialists, such as Kuwait's NIC, the Gulf Investment Corporation and KFTCIC, have led the way in identifying opportunities and acting as "trail-blazing" investors.

The KD Bond (or Camel Bond) market has been revitalized, and many institutions originally created as "pan-Gulf" have returned to their Kuwaiti roots. Market activists such as Kuwait Financial Centre's Dizar Alghanim welcome such developments and see them as an opportunity to develop and offer new products to the market.

A third sector of development lies in the much-publicized "offer" deals. Saudi Arabia has been a leader in linking its major import purchases with a reciprocal requirement that the vendor invest in the domestic economy.

Informed observers point to the Saudi desire for fair international market

access for refined petroleum products and for a real "meeting of the minds" to secure a better balance of "real terms of trade".

The same observers view the financial institutions as having a potentially significant role to play.

There can be no doubt that the most significant changes in recent years are to be seen in the personal sector.

For years, this sector was serviced offshore primarily by Western institutions. And despite the downturns in government and corporate sectors, it remains an active exporter of capital.

As Capital Trust's Faisal Kudi observes: "The Arab banks serviced their deposit base." It is difficult for a bank to recommend that a client move out of a product making a high return for the bank (albeit a lower one to the client), to a product making a higher return for the client, but

perhaps a lower one for the bank.

The Gulf banking market used to lack products. As Kudi points out, product development costs can be astronomical: people, technology and servicing cost are huge. To meet this problem, Capital Trust developed a resuscitation of the consortium bank concept. If banks pooled resources and supported the idea of the proverbial "better mousetrap," couldn't they beat Western competitors at their own game?

A number of leading Arab institutions (Alahli Bank of Kuwait, Qatar National Bank and Union de Banques Arabes et Francaises) accepted and supported the idea and created together what is probably the Arab world's first international retail financial product — the Diversified Bond Fund.

But they are not satisfied yet. Capital Trust suggests that it would be ideal to

have as many as 20 institutions or more collaborating on a single product. It might be right. After all, how many banks issue variants of Visa or MasterCard charge cards?

If dozens of Arab banks are already acting as agents for another institution's products, such as credit cards, couldn't the same resources be used to create and market a new product designed specifically for the Arab market?

The Arab domestic financial market is overbanked, and where competition used to be primarily in quality of service, the trend now is to greater competition in products.

While many Western institutions have deserted the Arab market, at each level — government, corporate and personal finance — challenges remain. Product development has a key role to play at each level.

The lead institutions in

the Gulf, such as GIC, KFTCIC, Investcorp and NIC and a number of Gulf experts who have reversed the process by setting up shop in the West, such as Capital Trust, have been quick to seize the opportunities of a market where capital surpluses, increasingly in the private sector, continue to create demand. And having been badly burned trusting Western assessments of credit-worthiness, many Arab institutions which a decade ago were accepting junior management positions in the queue for Third World sovereign debt are today developing products to meet the needs of their own markets, querying the judgment of their opposite numbers in prestigious City of London, Wall Street and Far East firms, demanding and getting more substantial input, and a better share of rewards.

More significant, an increasing number are going

it alone, bringing together like-minded groups to create critical mass and share the otherwise ruinous costs of product development. As Capital Trust's Abdul Rahman Al-Sa'i points out, the consortium bank may have become unfashionable in the West, but in the Arab world, partnership has become an effective tool to meet the costs of developing and marketing new products.

It is ironic that most of the banking products which Western bankers are most familiar — the letter of credit, the check, portfolio management — were actually developed by Arabs centuries ago. Today in Saudi Arabia, Kuwait, the Emirates and elsewhere, bankers aren't trying to reinvent the wheel, they're just trying to make it fit better.

— Christopher Ogg
(Christopher Ogg is a director of London-based economic consultants Macmillan Stamp Associates.)

National Bank of Dubai Marks Silver Anniversary

THIS summer the National Bank of Dubai celebrated its 25th anniversary and, as befits the oldest locally incorporated banking institution, it also paid its shareholders a 40 percent dividend.

The story of NBD and its successful growth (total assets for the year ending December 1987 increased by a little under Dh.1 billion (US\$272.5 million) to more than Dh.21 billion) reflects the overall development of the Emirate of Dubai. Last year's performance was the best of any Arab bank in the Gulf — an outstanding achievement in a difficult year.

Until 1962 banking in the emirate had been monopolized by the British Bank of the Middle East (BBME), which laid the foundations for modern banking in the region.

A group of local Dubai merchants, headed by the father of Sultan Ali Al-Owais, chairman of NBD since its formation in 1963, urged the ruler of Dubai,

Sheikh Rashid bin Saeed Al Maktoum, to create a "local" bank. The ruler wisely agreed and granted a charter for the new bank. Some 52 percent of the original shareholding of Dh.13.6 million was held locally. The rest was divided between the National Bank of Kuwait and two other foreign banks. Six years ago non-Dubai interests were bought out and the bank is now virtually 100 percent locally owned. Shareholders' funds today stand at more than Dh.2 billion and deposits are Dh.17.6 billion compared to Dh.25 million when the bank concluded its first year's operations in 1964.

It is now one of the largest and most successfully managed banks in the United Arab Emirates. And Sultan Ali Al-Owais, whose father died tragically just before that bank opened, attributes the bank's growth and success to its conservatism. "But that does not mean we are old fashioned," says Mr. Al-Owais, adding that the

bank abides by good banking practices and always follows the rules. "I like to sleep well at night," he adds.

The bank's managing director, Abdullah Mohammed Saleh, sees no reason why the bank should change its conservative attitude, pointing out that profitability had increased, assets had risen, and "we have just paid out a 40 percent dividend."

NBD has grown steadily and surely. It opened on May 9, 1963 with its head office on the Deira side of the creek with a subbranch opposite. It was not until five years later that it laid the foundations for an expanding network of local branches. The first was in Abu Dhabi, and was followed a year later with another in Umm al-Qaiwain, where it has just opened a new building for the branch. In 1971, the year in which Dubai became part of the newly founded United Arab Emirates, a branch was opened at the international airport. By the 1980s



Mr. Abdullah Mohammed Saleh, managing director of the National Bank of Dubai.

another nine branches had sprung up in various key locations around the emirate, bringing the total to 15. Two years ago, following many requests from its customers, NBD opened its first international branch in London's Sloane Street.

The bank has been involved with almost all the major infrastructural developments in the emirate, and its growth in assets reflects the development of its oil revenues, with which it is closely associated.

And the future? The bank likes to keep its plans to itself, but Saleh will allow himself to mention one growing trend. "We see our role in trade financing increasing," he says.

— Lee Voysey

Complete Service Is Hallmark of Hotels

LIKE the general development of the Gulf countries themselves, hotel availability has changed beyond recognition. Equally important has been the growth in communication services, which are prompt, efficient and reliable. Everything from fax and telex to data links are available.

Many hotels have been concentrating on upgrading services for business travelers. A typical example is the SAS Hotel in Kuwait, situated out of the center of town, which has established a special businessman's lounge near the joint banking center. Called

the City Lounge, it offers comprehensive business facilities from word processing to courier and limousine services. Hotel guests, who get a complimentary shuttle-car service between the hotel and the City Lounge, can also rent an "office-for-a-day" in the lounge.

As part of the growing trend in luxury and business-class hotels, SAS has its own recently introduced "Royal Club" rooms in the hotel. It also has one of the most interesting restaurants in Kuwait — the Al Boom — on board a specially built traditional dhow lying in its own dock

beside the hotel. The excellent Chinese restaurant in the hotel has also established a fine reputation for its overall cuisine.

Mr. Steinar Bergvoll, an SAS director, is very optimistic about the future. "We are expecting a strong upturn in business; the situation is changing for the better here," he says.

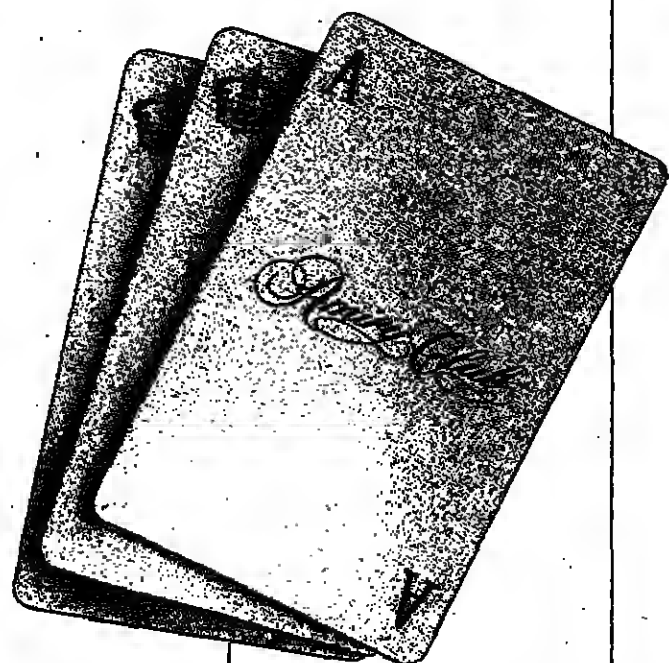
Health, fitness and good food are three of the main attributes of the Kuwait Regency Palace, a member of the Leading Hotels of the World reservation group. The Regency management prides itself on offering excellent business facilities as well as wide-

ranging health and sporting facilities, which include a unique indoor jogging track — probably the only one of its kind in the Gulf. The hotel's air-conditioned indoor tennis, squash and rackets courts are also extremely popular with international guests.

With two large conference rooms and a large exhibition center, the hotel management aims to raise its profile internationally by staging a number of local events. With a staff ratio of 400 employees to 245 guest rooms, there is an excellent standard of service.

— Lee Voysey

Another Ace for the Regency



Amiry Club

An Executive Club where all the Aces come up trumps... comfort, hospitality and service.

The Amiry Club... no need to wish for a winning hand.



Kuwait Regency Palace
one of "The Leading Hotels of the World"

P.O. Box 1139 Kuwait, 22012 Salmiyah Kuwait. Tel: 5728000, Telex: 46082 KT KREGPLH, Fax: 5723109



Royal Club.
Your own hotel in the hotel



- Exclusive floor.
- Complimentary limousine service to and from the airport and our City Lounge.
- Exclusive lounge.
- Exclusive executive breakfast.
- Exclusive executive rooms.
- Exclusive bathrobe and slippers.
- SAS City Lounge (Downtown Business Service Center.)

SAS
Kuwait Hotel

For reservations:
P.O. Box 24189 Safat, 11212 Safat, Kuwait.
Tel: 5667000 Telex: 44300 Fax: 5662899

AL SHARIF GROUP 30 YEARS OF SUCCESS



Established in 1958, AL SHARIF FACTORIES have shown continuous and steady growth, with each day bringing greater and better developments.

Our daily endeavour for improvement and achievement is what lies behind 30 years of progress in the field of plastics and commodities in Egypt. But there are more essentials to our success:

- We market to meet the needs of the average Egyptian family
- We constantly update our products
- We provide quality goods at low cost

All these factors have earned the support of the Egyptian consumer for Al Sharif products. We have never failed them and they trust us.

The result is the 2 million sq.m AL SHARIF INDUSTRIAL COMPLEX which houses 33 factories producing essential home appliances, commodities and plastic products for Egyptian homes. But our story does not end there since we continue to look to the future.

The AL SHARIF RESEARCH CENTRE is the first scientific research laboratory, funded by private enterprise, for advanced industrial research, product development and quality control.

We are proud to have built an Egyptian industry to the highest international standards.

AL SHARIF GROUP
AL SHARIF BUILDING, EL HEGAZ STR
HELIOPOLIS, CAIRO-EGYPT
TELEX: 22993-93674 SHRIF UN
22491 SHRFA UN

TEL: 2592431 : 435
2586137 : 141
TELEFAX: (202) 2599351

Vol.	High	Low	Last	Chg.
Chryl	3172	30 1/2	30 1/2	+ 1/4
SCS	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4
Wm	1732	30 1/2	30 1/2	+ 1/4

NYSE	12-Month	12-Month	12-Month
NYSE adv. volume	112,010,000	112,010,000	112,010,000
NYSE adv. value	1,234,567,890	1,234,567,890	1,234,567,890
NYSE adv. shares	12,345,678	12,345,678	12,345,678
NYSE adv. volume	112,010,000	112,010,000	112,010,000
NYSE adv. value	1,234,567,890	1,234,567,890	1,234,567,890
NYSE adv. shares	12,345,678	12,345,678	12,345,678

High	Low	Close	Chg.
NYSE	112.34	112.34	+0.12
Composite	112.34	112.34	+0.12
Industrial	112.34	112.34	+0.12
Transportation	112.34	112.34	+0.12
Finance	112.34	112.34	+0.12

Tuesday's NYSE Closing
Via The Associated Press

Class	Prev.	Chg.
Advanced	112.34	+0.12
Declined	112.34	-0.12
Unchanged	112.34	0.00
Total Issues	112.34	+0.12
New Issues	112.34	+0.12

Class	Prev.	Chg.
Advanced	112.34	+0.12
Declined	112.34	-0.12
Unchanged	112.34	0.00
Total Issues	112.34	+0.12
New Issues	112.34	+0.12

Vol.	High	Low	Last	Chg.
AMEX	112.34	112.34	112.34	+0.12
AMEX	112.34	112.34	112.34	+0.12
AMEX	112.34	112.34	112.34	+0.12
AMEX	112.34	112.34	112.34	+0.12
AMEX	112.34	112.34	112.34	+0.12

Class	Chg.
Bonds	+0.12
Utilities	+0.12
Industrials	+0.12

Class	Prev.	Chg.
Advanced	112.34	+0.12
Declined	112.34	-0.12
Unchanged	112.34	0.00
Total Issues	112.34	+0.12
New Issues	112.34	+0.12

Buy	Sell	Chg.
Buy	112.34	+0.12
Sell	112.34	-0.12
Chg.	112.34	+0.12

Open	High	Low	Last	Chg.
Index	112.34	112.34	112.34	+0.12
Transp.	112.34	112.34	112.34	+0.12
Finance	112.34	112.34	112.34	+0.12
Comp.	112.34	112.34	112.34	+0.12

Class	Prev.	Chg.
Industrial	112.34	+0.12
Transportation	112.34	+0.12
Finance	112.34	+0.12
Comp.	112.34	+0.12

Class	Prev.	Chg.
Advanced	112.34	+0.12
Declined	112.34	-0.12
Unchanged	112.34	0.00
Total Issues	112.34	+0.12
New Issues	112.34	+0.12

High	Low	Close	Chg.
AMEX	112.34	112.34	+0.12
AMEX	112.34	112.34	+0.12
AMEX	112.34	112.34	+0.12

Tables include the nationwide articles up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	AAR	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2

NYSE Lower in Light Trading

United Press International
NEW YORK — Prices closed slightly lower Tuesday in quiet trading on the New York Stock Exchange as the market failed to draw cautious investors from the sidelines.

The Dow Jones industrial average, which fell 5.51 points Monday, slipped 2.84 to close at 2,082.33. Declines led advances by more than a 7-6 margin. Volume remained low at 113.01 million shares, down from 116.42 million traded Monday.

"We continued to have the same pattern of light volume and very little interest in buying or selling," said Ernie Rudnet, manager of block trading at Mabon, Nugent & Co.

Mr. Rudnet said the session was marked by "small to midsize program trades" and takeover activity. One meaningful note, Mr. Rudnet added, was the announcement by International Business Machines Corp. of a continuation of its stock repurchase activity.

"There are some encouraging signs," Mr. Rudnet said. "This market, with the recent talk of higher interest rates, could have had its underpinnings knocked right out from under it. However, these recent minor losses — 5 points, 3 points — might indicate that we are in a base-building process that could lead to a breakout."

Broader market indexes also lost ground. The New York Stock Exchange index fell 0.32 to 151.64. Standard & Poor's 500-stock index fell 0.62 to 268.26. The price of an average share lost 7 cents.

"What we are seeing is a normal sluggish period after a decent run that brought the Dow back near the 2,100 level," said David Kalman, a technical analyst with W.H. Newbold's Son & Co. in Philadelphia.

"There is a malaise in the marketplace right now," Mr. Kalman said. "This market has discounted anything that is good for a long time now."

He said the market faced the possibility of a near-term pullback to the 2,050-2,060 area before it could mount "a decent change at moving through the post-collapse high" of 2,158.61, set July 5.

Commonwealth Edison was the most active issue, up 1/4 to 30 1/2. Southern California Edison followed, up 1/4 to 33 1/4.

Tandy Corp. was third, down 1/4 to 39 1/4. AT&T was off 1/4 to 26.

IBM rose 1 to 119 1/4. The company's board authorized the company to continue purchases of its stock with a total expenditure of up to \$2 billion.

Among other blue chips, General Electric was up 1/4 to 42 1/4, Boeing was off 1/4 to 61 1/4, Procter & Gamble was down 1/4 to 78 and Woolworth was up 1/4 to 53 1/4.

Digital Equipment was up 1/4 to 95. Cray Research was down 1/4 to 70 1/4.

Macmillan rose 1 1/4 to 88 1/4. The company said it had accepted a \$90.5-a-share merger offer from Kohlberg, Kravis, Roberts & Co.

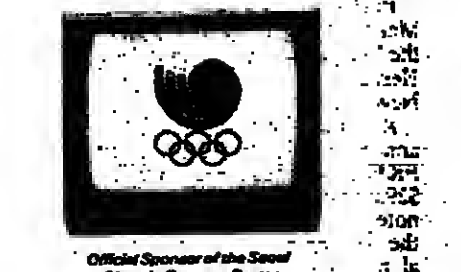
Prices closed slightly lower in slow trading on the American Stock Exchange.

The American Stock Exchange index fell 0.34 to 298.40. The average price of a share lost 2 cents. Declines edged advances by about a 4-3 margin. Volume rose to 7.25 million shares from 6.48 million traded on Monday.

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

SEOUL CHOSE PHILIPS TELEVISION



SHOULDN'T YOU DO THE SAME?

PHILIPS

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

12 Month	High	Low	Stock	Div. Yld.	PE	52	Close
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACN	1.14	14	14	104 1/2
77 1/2	104 1/2	77 1/2	ACM	1.14	14	14	104 1/2

(Continued on next page)

MADISON AVENUE
EKB Group of Britain To Add 2 U.S. Companies

By PHILIP H. DOUGHERTY
New York Times Service
NEW YORK — Britain's EKB Group, a holding company for sales promotion and marketing services firms, is adding two more companies to the four it acquired in the United States in March. The latest two are American Consulting Corp., founded six years ago by Peter Engle, a well-known marketing man who built it by acquisition, and DAD Financial, an 11-year-old Nashville, Tennessee-based company that specializes in direct mail and direct marketing for the financial community.

EKB also has an agreement with a British company, Burrows, Bew & Moore in Bristol. Earlier this year in the United States, EKB acquired Focus Marketing, OLM Associates, the Sangakut Group and the Hermann Group, all outside New York. According to a company announcement from London, EKB Group will spend about \$29.6 million in cash and notes for a down payment for the companies, with additional payments based on performance. The total would not exceed \$86.7 million. EKB said it intended to become "the leading strategically oriented sales promotion agency group in the United States." It also reported that American Consulting last year had pretax profit of \$3.3 million, on revenue of \$24 million. During the same period, DAD had revenue of \$7 million and pretax profit of \$1.9 million.

Ammirati & Puris has bested a field of 12 agencies to win the Agfa Life & Casualty Co.'s account, with annual billings estimated at about \$15 million. The previous agency, Jordan, McGrath, Case & Taylor, served the client for 11 years, most recently with theme lines like "Aetna, I'm glad I met ya" and "Work with the best in the business." When Thomas J. Fay, newly arrived from TRW Inc. to be vice president, director communications at Aetna, began thinking "it was time for a change," he called for a review of his advertising. He invited the Jordan shop to compete against other agencies for the business. It declined.

The OTHER TWO finalists were Levine, Hmtley, Schmidt & Beaver, a subsidiary of Grey Advertising, and Geer DuBois. The shops were invited to two meetings, the first a briefing and the other to make their presentations to the client at its headquarters in Hartford. They were not asked for speculative advertising but rather for concepts and positioning. Ammirati & Puris, a subsidiary of Britain's Boas Massimi Pollitt, presented its work in positioning for accounts like BMW, UPS, RCA and Waterford Crystal, according to Edward H. Wax, its president.

John Ferrell, until recently the head creative man in the New York office of Young & Rubicam, is leaving the agency because, as a staff memo from Arthur R. Klein, president, New York, said, he "has decided that he does not want to accept the new assignments we had offered him." For the last year Mr. Ferrell, 45, has been one of three executive vice presidents-creative directors in New York. His group, Group One, has been assigned to Eric Weber, 46, who is returning to the agency after a decade's absence. He has been one of three top creative staffers at Saatchi & Saatchi DFS Compton. Y&R declined to say what kind of a position it had offered Mr. Ferrell, and he would only say that, despite the high regard in which he holds his employer, none of the several creative positions offered appealed to him.

U.K. Gap In Trade Narrowed

August Figure Is £1.31 Billion

Reuters
LONDON — Britain said Tuesday that its current account deficit for August narrowed to £1.31 billion (\$2.18 billion) from a record £2.15 billion in July. The improvement in the deficit was better than many market analysts had forecast. But for the first eight months of the year, Britain had a deficit of £9.22 billion, far above the government's target of £4 billion for all of 1988. The current account measures a country's trade in goods and services as well as certain fees and transfers. The deficits have been fueled by a rise in consumer demand for imported goods, which has led the government of Prime Minister Margaret Thatcher to push interest rates higher. Since early June, base interest rates at major banks have climbed from 7.5 percent to 12 percent. The deficit in merchandise trade in August was £1.813 billion, compared with £2.65 billion in July. Nigel Lawson, the chancellor of the Exchequer, said Tuesday that Britain had reacted appropriately in raising the rates, but that the tighter monetary policy would take some time to have an effect. Mr. Lawson, who is attending the annual meeting of the International Monetary Fund in Berlin, warned against placing too much emphasis on one month's trade figures.

The clear picture which emerges from the trade figures over the last few months is one where exports are continuing to perform well but imports have risen sharply as a result of the strength of domestic demand," he said. "We took the appropriate action in response to this during the summer by tightening monetary conditions," he added. "The effects of this will inevitably take some time to come through." The consumer boom and surge in imports have boosted British inflation, now at a 5.7 percent rate. The government had hoped that it would be at 4 percent by the end of the year.

In merchandise trade, imports in August fell to £2.561 billion, from £3.427 billion in July, while exports declined to £6.745 billion from £5.775 billion. On Tuesday, the Financial Times Stock Exchange index of 100 blue chips closed at 1,808, 15.3 points higher than Monday's close of 1,792.7. In London, the British pound rose to \$1.6785 from \$1.6660 on Monday. Against the Deutsche mark, the pound rose to 3.1548 from 3.1393.



Shoppers loading up purchases at a Kroger supermarket in Cincinnati, where the chain is based.

Is Kroger One of a Dying Species?
U.S. Supermarket Chains Seen as Open to Takeovers

By Lydia Chavez
New York Times Service
CINCINNATI — When a takeover fight for Kroger Co. erupted last week, it seemed to confirm what many in the supermarket industry suspected: that giant publicly traded supermarket chains are an endangered species.

Smaller national chains are likely to survive, and the ranks of regional supermarkets to swell, analysts and consultants predicted. But they said that, in this era of corporate takeovers and bankruptcies, the big publicly traded chains — with their relatively low profit margins, steady cash flows, valuable real estate and operations that can be easily split off and sold — are ripe acquisition candidates. The battle over Kroger, the largest supermarket chain in the United States, is "basically a continuation of a trend where food retail companies are viewed as attractive targets for leveraged buyouts and even foreign investment," said Willard Bishop, an industry consultant based in Chicago. Kroger's attractiveness to bidders is simply that its parts are worth more than the whole — at

Where Bigger Isn't Always Better

Company Headquarters	Pretax Margin*	Net Earnings
MULTIREGIONAL		
Kroger, Cincinnati	1.8%	\$180
Winn-Dixie Stores, Jacksonville	2.0	118
American Stores, Los Angeles	2.0	115
A&P, Montville, N.J.	2.0	112
REGIONAL		
Hannaford, Portland, Me.	4.4	26
Giant Food, Washington	5.0	85
Bruno's, Birmingham, Ala.	5.0	42
Food Lion, Salisbury, N.C.	5.1	99.5

* Pretax earnings as a percentage of sales

least as Wall Street has valued the company. Those parts — 1,300 supermarkets in 20 states, 935 convenience stores and 38 manufacturing units — can easily be peeled off and sold. Safeway Stores Inc., which was the largest U.S. chain before it was acquired two years ago and then shrunk, was vulnerable for much the same reason, analysts say. In addition, Safeway was rich in real estate. Most of Kroger's stores are leased, and while valuable, the leases are less attractive than outright ownership. Kohlberg, Kravis, Roberts & Co., the same leveraged buyout firm that acquired Safeway, last

Macmillan Opts For Sweetened Offer by KKR

Compiled by Our Staff From Dispatches
NEW YORK — Macmillan Inc. said Tuesday that it agreed to be acquired by the investment firm Kohlberg, Kravis, Roberts & Co., whose \$2.5 billion bid narrowly topped that of Maxwell Communication Corp. in a heated auction for the publishing and information company. In its improved offer, submitted just before a deadline late Monday, Kohlberg, Kravis said it would offer cash and securities valued at \$90.05 a share for up to 91 percent of Macmillan's 27.8 million outstanding shares. Analysis had expected the investment firm to raise its earlier offer of \$85 a share.

Robert Maxwell, chairman of Maxwell Communication Corp., said on Tuesday morning that he also had raised his offer for Macmillan to \$89 a share in cash, from \$86.80 a share earlier this month. But the improved offer fell short of the Kohlberg, Kravis bid. Mr. Maxwell, angered that he was not informed of the rival offer, said that he was reviewing his options. "I am shocked that the board of directors of Macmillan would enter into this hasty, ill-conceived, front-end loaded, two-tier junk-bond financed offer with KKR without even contacting me," he said. Macmillan's acceptance of the Kohlberg, Kravis bid also caught analysts by surprise.

"I think we're now dealing in an atmosphere that is slightly irrational financially," said J. Kendrick Noble Jr., a media analyst at PaineWebber Inc. "They are not operating at a level of common sense." But Bert Boksen, senior vice president and media analyst for Raymond James & Associates of St. Petersburg, Florida, said: "My guess is this is the end of the road. It's a fair price." On the New York Stock Exchange on Tuesday, Macmillan's stock rose \$1.375 to close at \$88.625 a share. A spokeswoman for Kohlberg, Kravis said that the Macmillan board agreed to the improved bid at a meeting on Tuesday.

Under terms of the agreement, the large New York-based publishing concern would be merged with MI Holdings Inc., a corporation organized by Kohlberg, Kravis. The remaining Macmillan shareholders would receive \$33.77 face value of MI junior subordinated debentures for each of their shares plus 22.51 warrants to acquire future MI shares. Kohlberg, Kravis is a private group that specializes in leveraged buyouts. In such a buyout a group, usually management, borrows money to acquire a company and uses the target's earnings or assets to help repay the loans. Earlier Tuesday, Macmillan said in a statement that it had received indications from both Maxwell and Kohlberg, Kravis that "each would increase its offer for Macmillan under certain conditions." Macmillan's board approved the first Kohlberg proposal in mid-September, but withdrew its recommendation that shareholders accept it last week after Maxwell raised its bid in mid-September to \$86.80 a share, from \$84 in early September and \$80 in August. It was Mr. Maxwell's second attempt to buy a major U.S. publisher. Last year he was unsuccessful in his bid to take over Harcourt Brace Jovanovich Inc. Macmillan has been the target of a takeover battle since May, when Robert M. Bass Group Inc. of Fort Worth, Texas, bid \$64 a share for the company. Bass's latest offer was \$75 a share. In an attempt to head off the buyout, Macmillan announced a restructuring plan that would have split the company in two — one for publishing and the other for information services. Under the plan, a cash dividend would have been paid to shareholders. But the restructuring plan was dropped when Macmillan initially accepted the earlier \$85 a share bid from Kohlberg, Kravis. In addition to its book publishing and information services operations, Macmillan owns the Katherine Gibbs clerical schools and the Berlitz foreign-language training programs. (AP, UPI)

Currency Rates

Cross Rates	Sept. 27
Australian dollar	1.2325
British pound	1.6785
French franc	6.5596
German mark	1.3636
Italian lira	1.3636
Japanese yen	163.87
New Zealand dollar	1.2325
Spanish peseta	166.37
Swiss franc	1.4848
U.S. dollar	1.0000

Other Dollar Values	Per \$
Argentine peso	12.48
Belgian franc	33.33
Canadian dollar	0.74
Costa Rican colón	1000.00
Czechoslovak koruna	166.67
Dutch guilder	3.76
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00

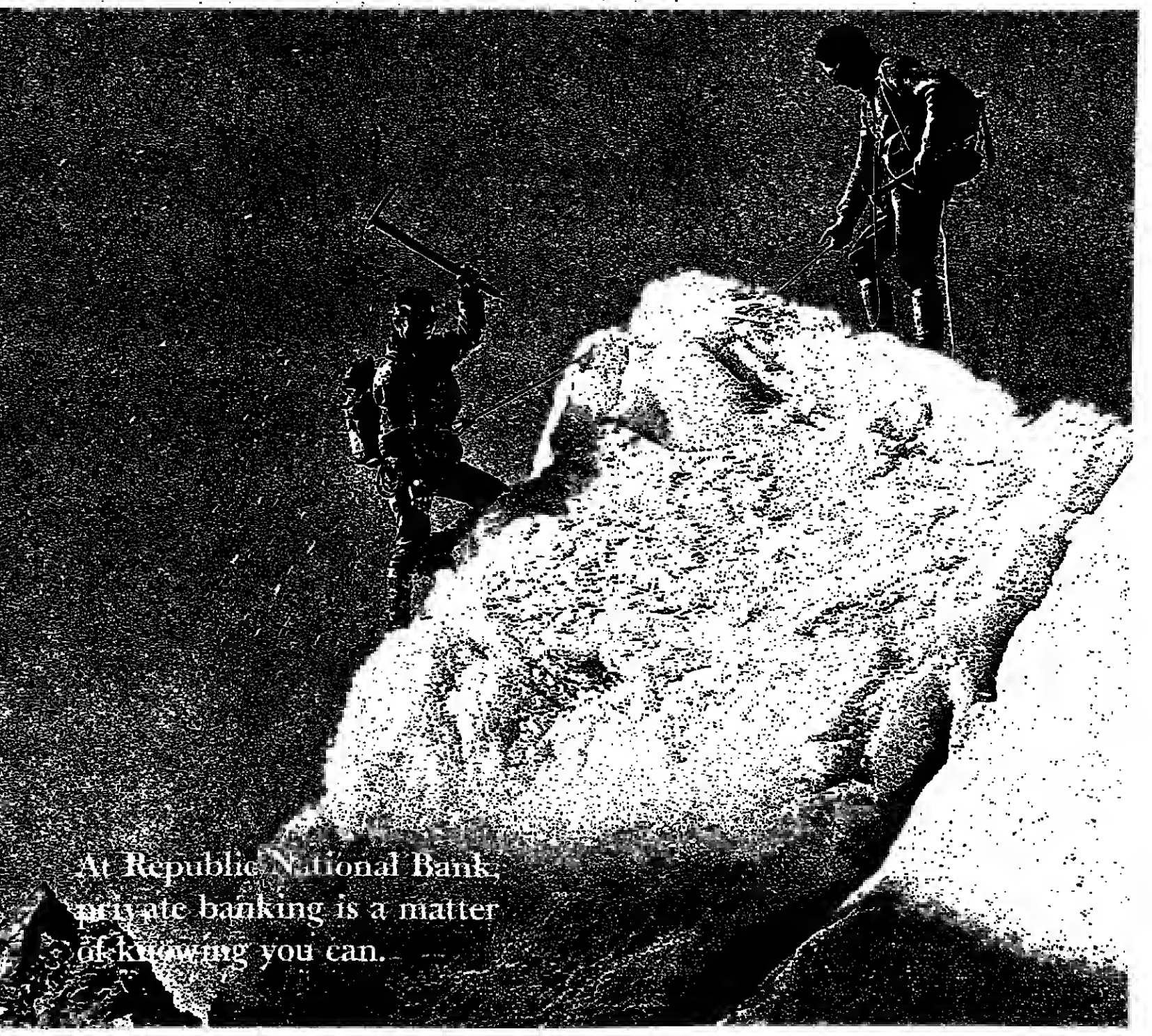
Interest Rates

Interest Rates	Sept. 27
1 month	8 1/4 - 9 1/4
3 months	8 1/4 - 9 1/4
6 months	8 1/4 - 9 1/4
1 year	8 1/4 - 9 1/4
2 year	8 1/4 - 9 1/4
3 year	8 1/4 - 9 1/4
4 year	8 1/4 - 9 1/4
5 year	8 1/4 - 9 1/4
10 year	8 1/4 - 9 1/4
30 year	8 1/4 - 9 1/4

Oil Prices Slide After OPEC Talks

Compiled by Our Staff From Dispatches
LONDON — World oil prices fell sharply Tuesday as markets reacted to the failure of a two-day OPEC pricing committee meeting in Madrid to produce tangible measures to break the price decline. Contracts for November delivery of North Sea Brent, Britain's benchmark and the most widely traded crude, fell to \$12.97 a barrel early Tuesday, off nearly 40 cents from Monday, before recovering in later trading to \$13.05. It marked the first time in two weeks that Brent traded below the \$13 level. On the New York Mercantile Exchange, the November contract for West Texas Intermediate, the benchmark U.S. crude, traded as much as 35 cents lower before recovering to close at \$14.14, off 6 cents from Monday's closing price of \$14.20.

Traders said they were doubtful that the outcome of talks by the pricing committee, which ended Monday, would do anything to sustain oil prices in the short term. The five-member OPEC committee said it would meet jointly with the cartel's six-member long-term strategy committee sometime in October before deciding if an emergency meeting of the cartel was needed. But it announced no immediate steps to curb overproduction. The marketplace was disappointed in the committee's failure to come up with a concrete direction," said John Azarov, of Shearson Lehman Hutton Inc. Analysts said rumors that Saudi Arabia, the largest producer in the Organization of Petroleum Exporting Countries, was continuing a discount strategy to boost market share in the wake of the pricing committee meeting also sent the market into a tailspin Tuesday. "It seems as if there's been a complete breakdown, with the Arabs leading the charge toward market share," said Pete Bental, an analyst with Elders Futures Inc. In mid-September, Brent prices dropped to their lowest levels since



At Republic National Bank, private banking is a matter of knowing you can.

Knowing you can depends on knowing whom you trust. A private banking partner that looks after your assets while you enjoy the benefits. And when the euphoria of success has worn off, you'll realize that the whole operation was an exercise in safety. Republic National Bank's commitment to safety is the foundation upon which successful private-banking partnerships are built. Republic National Bank of New York. A matter of trust.

REPUBLIC NATIONAL BANK OF NEW YORK (SUISSE) SA

A SAFRA BANK

HEAD OFFICE: 2, PLACE DU LAC • 1204 GENÈVE • TEL. (022) 20 10 10 • FORNEX (022) 20 05 02 • BRANCHES: 1, VIA CANOVA • 6900 LUGANO • TEL. (091) 23 55 52
 NEW YORK • MIAMI • LOS ANGELES • BEVERLY HILLS • CORPUS CHRISTI • MONTREAL • LONDON • PARIS • MONTE CARLO • LUXEMBOURG • MILAN • GENEVA • GUERNSEY
 HONG KONG • SINGAPORE • TOKYO • NASSAU • CAYMAN ISLANDS • BUENOS AIRES • SANTIAGO • MONTEVIDEO • CARACAS • MEXICO CITY • PUNTA DEL ESTE • RIO DE JANEIRO • SAO PAULO

Tuesday's NYSE Closing

Tables include the notations prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Open Close

12 Month High	Low	Stock	Div.	Yld.	PE	52-Week High	Low	Open	Close
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	52-Week High	Low	Open	Close
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52-Week High	Low	Open	Close
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52-Week High	Low	Open	Close
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2

Stock Index Margins To Take Into Account Positions in 2 Markets

NEW YORK — The Chicago Mercantile Exchange and Options Clearing Corp. have agreed to lower sharply the amount of money an investor would have to post to cover cross positions in stock index options and stock index futures.

Rather than each market calculating an investor's margin requirements — the amount an investor must put up to cover the risks of an investment — the groups would compare an investor's position in the two markets and arrive at a single margin requirement. The process is known as cross-margining.

Officials of the two groups said the amount of money that an investor would have to post would decrease as a result.

"This is a landmark agreement between the two largest clearing organizations in the stock index futures and stock index options," said William J. Brodsky, president and chief executive of the exchange.

Wayne P. Luthringhausen, chairman and chief executive of Options Clearing Corp., the central common clearinghouse for securities options, said, "The consensus among researchers, regulators and market experts is that cross-margining can enhance market liquidity, reduce margin settlements and increase clearinghouse safety."

The Standard & Poor's 500 futures contract, which is cleared through the Chicago Mercantile Exchange, accounts for 80 percent of the market share in stock index futures contracts in the United States.

Several clearing systems exist for futures and options on futures. A clearinghouse functions by matching claims and obligations among smaller traders and investment firms. Each house is required by market and federal regulations to maintain a certain amount of capital to continue doing business.

During the market collapse last October, many Wall Street professionals were stunned as billions of dollars in margin were required of investors by clearinghouses and Options Clearing Corp. on a daily basis to cover their market exposure.

As a result, some investors who gained in one market while losing in another were required to pay the full amount of margin to the market in which they lost as if they had no offsetting investment. Thus, billions of dollars in costly needed capital were tied up in the clearing system to cover a determination of risk based on an incomplete analysis of an investor's position.

The Presidential Task Force on Market Mechanisms, known as the Brady Commission, the Securities and Exchange Commission, and others recommended that cross-margining be adopted as a means of increasing the liquidity of the markets.

Euromobiliare Reports Loss for Year

MILAN — Euromobiliare SpA, the investment banking firm, recorded consolidated group losses of 13.8 billion lira (9.8 million) for the year ending June 30, compared with a net profit of 12.4 billion lira in the year earlier period.

The bank said in a statement that parent company losses totaled 14.3 billion lira for the year ending June 1988 against a net profit of 7.3 billion for the previous 12-month span.

12 Month High	Low	Stock	Div.	Yld.	PE	52-Week High	Low	Open	Close
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52-Week High	Low	Open	Close
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2
24 1/2	24 1/2	Amgen	1.00	4.0	14	24 1/2	24 1/2	24 1/2	24 1/2

NYSE High-Lows

NEW HIGHS	NEW LOWS
Amgen	Amgen
Amgen	Amgen
Amgen	Amgen

U.S. Futures

Season High	Season Low	Open	High	Low	Close	Chg.
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50

London Metals

Close	Ask	Previous	Ask
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00

London Commodities

Close	Ask	Previous	Ask
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00

Paris Commodities

High	Low	Open	Close
120.00	118.00	119.50	119.50
120.00	118.00	119.50	119.50
120.00	118.00	119.50	119.50

DM Futures Options

Close	Ask	Previous	Ask
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00

Company Results

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

U.S. Treasuries

1-Month	3-Month	6-Month	1-Year
7.50	7.50	7.50	7.50
7.50	7.50	7.50	7.50
7.50	7.50	7.50	7.50

S&P 100 Index Options

Company	Per Amt	Pay Rec
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

Dividends

Company	Per Amt	Pay Rec
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

Spot Commodities

Commodity	Today	Previous
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

U.S. Futures

Season High	Season Low	Open	High	Low	Close	Chg.
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50

London Metals

Close	Ask	Previous	Ask
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00

London Commodities

Close	Ask	Previous	Ask
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00
120.00	120.00	119.50	120.00

Paris Commodities

High	Low	Open	Close
120.00	118.00	119.50	119.50
120.00	118.00	119.50	119.50
120.00	118.00	119.50	119.50

DM Futures Options

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

Company Results

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

U.S. Treasuries

1-Month	3-Month	6-Month	1-Year
7.50	7.50	7.50	7.50
7.50	7.50	7.50	7.50
7.50	7.50	7.50	7.50

Spot Commodities

Commodity	Today	Previous
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

Food

Season High	Season Low	Open	High	Low	Close	Chg.
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50

Metals

Season High	Season Low	Open	High	Low	Close	Chg.
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50

Industrials

Season High	Season Low	Open	High	Low	Close	Chg.
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50
120.00	118.00	119.50	120.00	119.00	119.50	+0.50

Stock Indexes

SP COMP. INDEX (CME)	Open	High	Low	Close
220.00	220.00	220.00	220.00	220.00
220.00	220.00	220.00	220.00	220.00
220.00	220.00	220.00	220.00	220.00

Commodity Indexes

Moody's	1982-83	1983-84
100.00	100.00	100.00
100.00	100.00	100.00
100.00	100.00	100.00

Market Guide

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

DM Futures Options

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

Company Results

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

United States

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

A&P

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

Int'l Multinationals

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.50

North Medical Ent.

Company	Revenue	Profit
Amgen	120.00	119.50
Amgen	120.00	119.50
Amgen	120.00	119.

BUSINESS ROUNDUP

Elders Net Rises on Property Sales

ADELAIDE, Australia — Elders Ltd. said Tuesday that profits from property and investment sales and a big jump in brewing earnings had led to a 72.4 percent rise in net earnings for the year.

Australian dollar loss for the year ended June 30. Elders Ltd.'s chairman, John Elliott, said Elders still held the Anheuser-Busch stake. He would not comment on the company's intentions and said his company had not spoken to Anheuser-Busch about the stake.

117.29 million dollars on the \$1.3 billion (\$2.18 billion) sale of 5,000 British pints, won with the Courage acquisition, to a joint venture between itself and the Melbourne property company Hudson Conway Ltd.

Renault Leader Predicts Fewer Auto Jobs

Compiled by Our Staff From Dispatches DEARBORN, Michigan — The chairman of Renault, the French state-owned automaker, has predicted that stiffening competition and a trend toward increased reliance on outside suppliers will lead automobile companies to make sharp reductions in employment in the next few years.

Peugeot has said it wants Renault to operate in the private sector so it can compete on equal terms. Jacques Calvet, Peugeot's chairman, said on television. "The two companies have definite personalities, specific images and brands. I do not want to see that diminished in France or in Europe."

SmithKline Restructuring Includes 1,600 Job Cuts

Compiled by Our Staff From Dispatches PHILADELPHIA — SmithKline Beecham Corp. said Tuesday that it would consolidate its worldwide pharmaceutical operations into a single global company, cut 1,600 jobs, offer 17 percent of its Beckman instruments unit to the public and take a charge of up to \$400 million against earnings in the third quarter as part of a restructuring plan.

net, and of Dyazide, for high blood pressure. In the third quarter, the company will place a one-time charge against pretax earnings of from \$375 million to \$400 million. Mr. Wendt said he expected annual savings of about \$100 million by the end of 1990.

KROGER: Are Supermarket Chains a Dying Species?

(Continued from first finance page) week bid \$4.6 billion for Kroger. That followed a \$4.32 billion bid from Dart Group Corp., which is controlled by the Haft family of Maryland.

Table with 3 columns: Item, 1988, 1987. Includes Revenue, Net Income, Earnings per share, etc.

company's short-term earnings and depressed its stock price, analysts said, was aggressive capital spending — much of it for building bigger stores.

Best Products Spurns Offer

New York Times Service NEW YORK — Best Products Co., the large catalogue-shopping company, said it has rejected a \$520 million offer from an unidentified suitor but that it is considering selling the company or taking other steps to increase its stock value.

What is available in all of these?

Advertisement for AIRTIME INTERNATIONAL LIMITED, featuring a globe and text about international services.

Advertisement for PHILIPPINE ASSOCIATED SMELTING AND REFINING CORPORATION (PASAR) INVITATION FOR PREQUALIFICATION.

FIDELITY PACIFIC FUND S.A.

Incorporated under the laws of Panama NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS Please take notice that the Annual General Meeting of Shareholders of Fidelity Pacific Fund S.A. (the "Corporation"), will take place at 10:00 a.m. at Corporation's principal office, Pembroke Hall, Bermuda on October 19, 1988.

The following matters are on the agenda for this Meeting: 1. Election of seven (7) Directors, specifically the reelection of all present Directors.

Nothing in international trade is more difficult than a simple barter.



BHF-BANK makes it easier for you. With its experience in advising on, arranging, handling and financing offset agreements, for instance. Or through its credit line arrangements with foreign banks if the financing is to be supplied along with the export merchandise.

Counter trade is often the only way exporters can gain access to difficult markets. The principle is simple: swap goods for goods. Yet setting up such a transaction is one of the most challenging tasks in modern trade financing.

Advertisement for Kingdom of Sweden U.S. \$500,000,000 Floating Rate Notes due 2005.

Holder of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's principal office in Bermuda or from the institutions listed above to the following address: Fidelity Pacific Fund S.A. c/o Fidelity International Limited P.O. Box 670 Hamilton 5, Bermuda.

Advertisement for BHF-BANK Merchant Bankers by Tradition, including contact information for Frankfurt, London, Luxembourg, New York, Singapore, Tokyo and Zurich.

CURRENCY MARKETS

Pound Rises on British Trade Data

NEW YORK — The British pound closed Tuesday with strong gains, reflecting the market's relief at publication of better-than-expected British trade data.

London Dollar Rates

Table with columns: Currency, Bid, Ask, and Source. Includes Deutsche mark, French franc, etc.

After the data were released, Nigel Lawson, the chancellor of the Exchequer, said in a statement that too much weight should not be placed on one month's figures.

Analysts See the Next Test Of Gold at \$380 an Ounce

ZURICH — A day after the price of gold tumbled to its lowest level in nearly two years in London, some analysts said Tuesday that gold might soon test support at around \$380 an ounce.

Stoltenberg Sees Stable Currencies

By Reginald Dale International Herald Tribune BERLIN — The West German finance minister, Gerhard Stoltenberg, said Tuesday that he would be "very surprised" if exchange rates came under major pressure before a new U.S. administration is installed in Washington next year.

Mr. Stoltenberg said he was confident that exchange rates would maintain their current stability until next year because the markets now took declarations by the seven leading industrial countries very seriously.

Details of Long-Awaited Japanese Debt Plan Remain Vague

By Carl Gewirtz International Herald Tribune BERLIN — Japan presented Tuesday its long-awaited proposal to help relieve the Third World's debt burden, but the details of the plan are still vague.

The plan is an addition to a long list of options that bankers have developed to deal with rescheduling of Third World debt.

Like the Baker Plan, named for the former U.S. Treasury secretary, James A. Baker 3d, the Japanese proposal requires that a debtor country reach agreement with the IMF on a structural adjustment program for its economy.

In that transaction, Mexico canceled \$3.67 billion of existing loans and issued, in exchange, \$2.6 billion of new bonds. That was possible because Mexico used part of its reserves to buy deeply discounted zero-coupon U.S. Treasury bonds, whose maturity value guarantees that the money will be available to redeem the Mexican bonds.

There was no explanation for what that meant, but Japan's intention appears to have been that the interest on the remaining loans outstanding would be provisionally suspended, which would provide substantial relief for the debtors.

IMF: Japan Calls for Reduction in Role of the Dollar

(Continued from Page 1) more widely used to inject fresh liquidity into the international monetary system.

Japan, in particular, has been increasingly concerned by its accumulation of dollars and would like to spread the risk.

Toll-Free and up to 50% off your subscription to International Herald Tribune. Includes phone numbers and a large 'OTC Prices' table.

Large table titled 'OTC Prices' containing financial data for various companies, including stock prices, dividends, and other metrics. Includes a legend for symbols like '12 Month High/Low' and 'Div. Yld. PE'.

BOOKS

THE SCARLET WOMAN OF WALL STREET

By John Steele Gordon. 421 pages. \$22.95. Weidenfeld & Nicolson, 10 East 53d Street, New York, N.Y. 10022.

Reviewed by Walter Goodman

TALK about insider trading! By the mid-19th-century standards described in "The Scarlet Woman of Wall Street" our recent batch of accused and convicted Wall Street insiders are milk-and-water types, pursuing their millions with a quiet word here, a friendly deal there.

Illegal no doubt, but as John Steele Gordon reports with considerable zest, mild stuff compared with the bare-knuckle techniques of such famed market manipulators as Jay Gould, Jim Fisk and Daniel Drew.

The careers of these all-American buccaners, and especially their antics in what became known as the Erie Railway Wars, have been written about before, extensively. Gordon brings nothing especially new to the tale, but he places it in the mores of the period. His portraits of the major players and of the bullish times in which they operated are as colorful as you could ask.

Before getting down to the tribulations of the Erie, Gordon offers a brief social history of New York, then on the move uptown, from Wall Street to the lower reaches of Fifth Avenue. With the help of well-chosen prints of the time, he gives us glimpses of the city's style and the spirit of its upper crust. Nobody was more exacting than Cornelius Vanderbilt, the book's hero of sorts, the great railway builder and the richest man of his time. What makes Vanderbilt a hero for Gordon is his interest in actually running railroads instead of merely manipulating their stocks.

One of the stocks especially alluring to Drew, Gould and Fisk was that of the Erie Railway, which ran through the counties of New York State that border on Pennsylvania, and which, on its completion in 1851, was briefly the longest railroad in the world.

Its financial position was always problematic, and once Drew got himself installed as treasurer it became a money-making engine. Gordon has this to say about this pioneer speculator: "And if throughout his long life, Drew had seldom missed an opportunity

to praise the Lord, neither had he often foregone a chance to cheat his fellow man."

In the 1850s, Erie stock moved like a shuttlecock between 40 and 120—moves, Gordon observes, that were correlated neither with the market in general nor with the fortunes of the Erie Railway. They had a lot to do, however, with the fortunes of Daniel Drew.

Wall Street had yet to begin its slow process of reformation and self-regulation. When Fisk and Gould got onto the board of the Erie, its was begun in earnest. On one side was Vanderbilt, who sought control of the railroad in order to prevent rate wars with his New York Central; on the other were Gould and Fisk, who were in it for the quick dollars to be made from stock fiddling; the allegiance of Drew, who comes through as an American Uriah Heep, switched to catch the cash flow. He finally fell victim to his sometime allies, who did unto him as he had done unto others.

Gould, soon to be known as "the Mephistopheles of Wall Street," was apparently the brains of the partnership. Gordon calls him "the most intellectually gifted player of the great game at this time, perhaps any time." Fisk, radiating bohemian, was no dummy and had daring and style as well as a romantic bent that would be the cause of his death at the hands of his mistress' new lover.

The pair brought a judge who issued injunctions as required and impeded the rulings of other judges. They bought off the New York State legislature (no great feat). They hired a company of thugs to guard their offices against the Vanderbilt forces.

Gordon, an admirer of the free market, takes time from the rough-and-tumble to show how the Stock Exchange was developing during this period from a curbside operation to a more formal and safer trading ground. He reminds us, toward the end: "It was the Exchange, not government, that first forbade the directors of a listed corporation to be short their own stock and forced them to adhere to specific accounting principles."

Admirable. Still, the recent exposures of insider trading, though not as flamboyant as the depredations of Gould, Fisk and Drew, suggest that the exchange still has a way to go in policing its own.

Walter Goodman is on the staff of The New York Times.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Sept. 27

Amsterdam table with columns for stock names and prices.

Brussels table with columns for stock names and prices.

Frankfurt table with columns for stock names and prices.

London table with columns for stock names and prices.

Paris table with columns for stock names and prices.

Stockholm table with columns for stock names and prices.

Sydney table with columns for stock names and prices.

Other international market data.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Sept. 27

Amsterdam table with columns for stock names and prices.

Brussels table with columns for stock names and prices.

Frankfurt table with columns for stock names and prices.

London table with columns for stock names and prices.

Paris table with columns for stock names and prices.

Stockholm table with columns for stock names and prices.

Sydney table with columns for stock names and prices.

Other international market data.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Sept. 27

Amsterdam table with columns for stock names and prices.

Brussels table with columns for stock names and prices.

Frankfurt table with columns for stock names and prices.

London table with columns for stock names and prices.

Paris table with columns for stock names and prices.

Stockholm table with columns for stock names and prices.

Sydney table with columns for stock names and prices.

Other international market data.

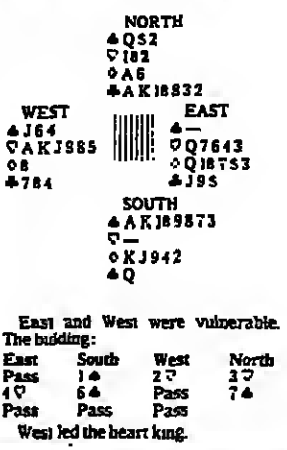
BRIDGE

By Alan Truscott

A TEAM representing the Australian capital, Canberra, recently played a match in that city against a touring American squad. Using total point scoring, a rare reversion to the early days of the game, the visitors won by the narrow margin of 640 points, thanks mainly to the diagrammed deal. Both American pairs reached the sound grand slam contract in spades then both Australians rested at the six level.

of finding a 13th trick with the help of a diamond finesse or a squeeze.

South ruffed the first heart confidently, but had some brooding to do when the spade ace produced a disastrous result. It was very likely that West held a singleton or a void in a minor suit. But which? It was tempting to try for a diamond ruff, but that would have been disastrous. Instead South correctly cashed the club queen and drew trumps, making use of dummy's clubs. Notice that if West had held a small singleton club instead of a singleton diamond, there would still have been a good chance



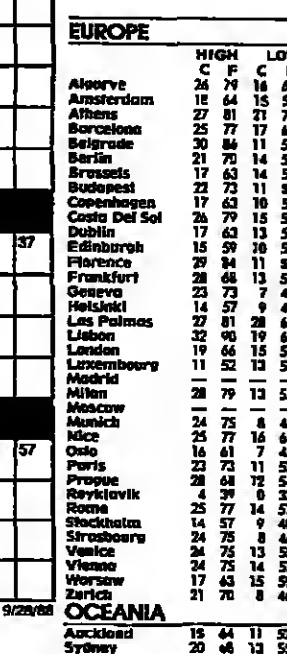
ACROSS

- 1 Ness
2 Deck post
3 Lock of hair
14 Cupid
15 Ancestor of the Edomites
18 Dull
17 Yokel
18 Start of a Shakespearean title
18 — aves (kin of 41 Across)
20 July 4 explosive
23 Due follower
24 Dream inits.
25 Lower
27 Ship's cable
31 Base
33 Mother's brother, e.g.
34 Whimper
35 Where 20th-cen painters hang out?
38 Surf sound
39 Czech money
40 Declare
41 Lollapalooza
42 Early Greek expeditionary ship
43 Mr. T et al.
44 Call it quits
46 Sharp
47 Meaning
49 Altar on high
50 Impair
51 Meteorologist's or moralist's concern
58 Eachew
60 Olive genus
61 'You'll Never — 1943' song
62 Mineral-containing stone
63 Habituated
64 Trifling
65 Hell, to Henri
66 Dominion
67 Activist

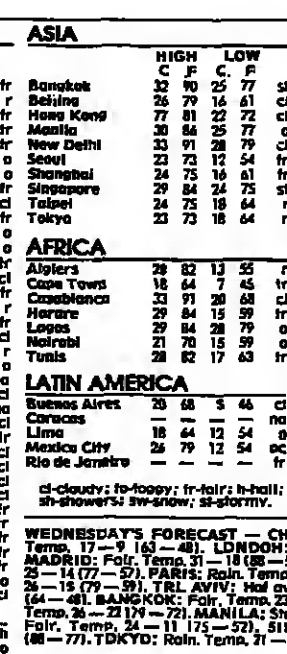
WEATHER

Weather forecast table for Europe, Asia, North America, Africa, Latin America, and Oceania.

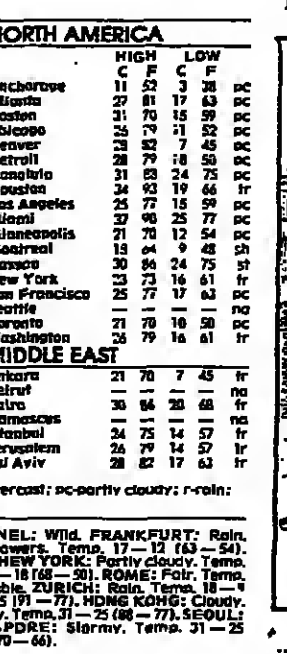
PEANUTS



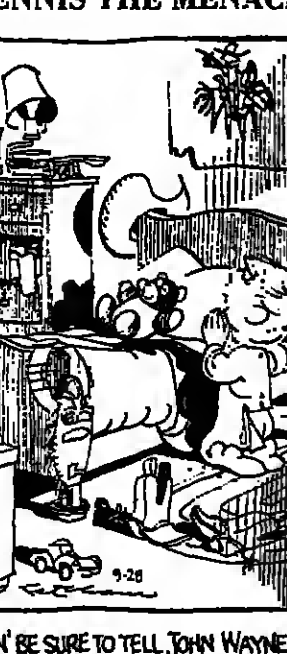
BLONDIE



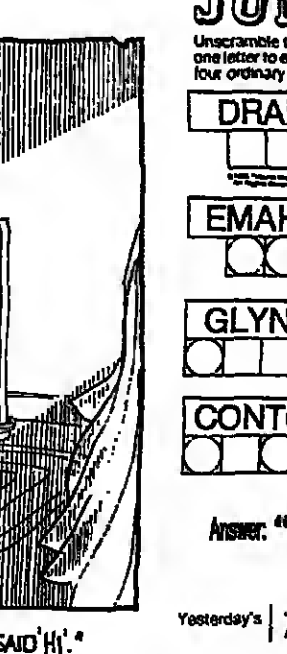
BEEBLE BAILEY



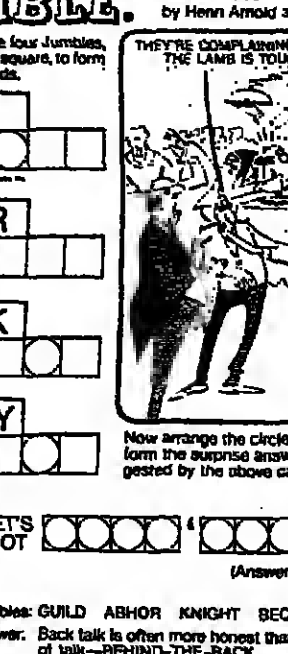
DOONESBURY



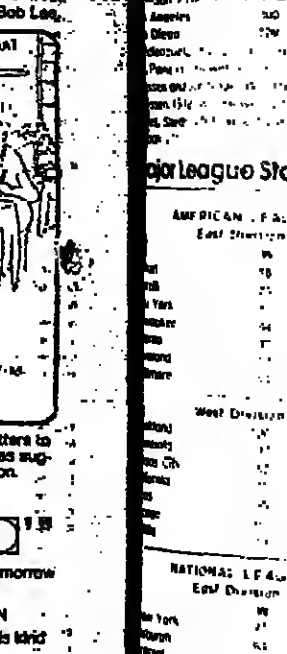
ANDY CAPP



WIZARD of ID



REX MORGAN



DOWN

- 1 Young hippo
2 Help' in Angers
3 Serve tea
4 Art Deco designer
5 Safari participant
6 All Moslems
7 Useful mineral
8 Protruding tooth
9 Rank top
10 Genetic inits.
11 Bulldozer
12 Exempt
13 Manage
21 Canadian Indian
22 Inset
23 Shades of red
27 Foot boy
28 Later
29 British incoat or moralist's concern
30 Hi-Fi's successor
31 Protrude
32 TV backdrop
34 Young salmon
36 Penurious
37 Host
39 Site of Cayes and Gonaves
43 Ones of triumph
45 Wall Street figure
46 Compact
47 Copy
48 Expert
49 Hippodrome
52 Dust-ups
53 Snow clearer
54 Slideslip
55 Loosen a knot
56 Function
57 Wide-mouthed pitcher
58 European food fish

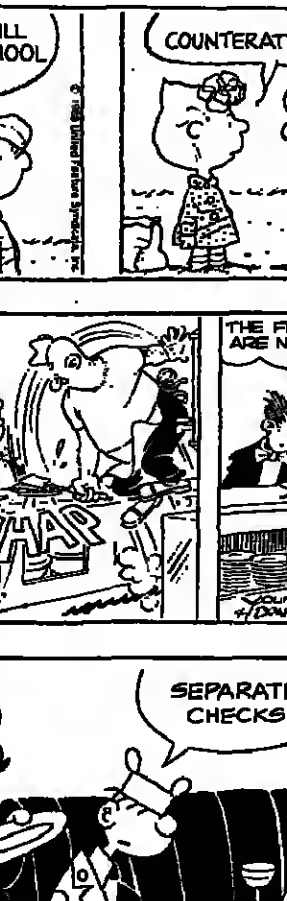
SOLUTION TO PREVIOUS PUZZLE

Grid solution for the previous crossword puzzle.

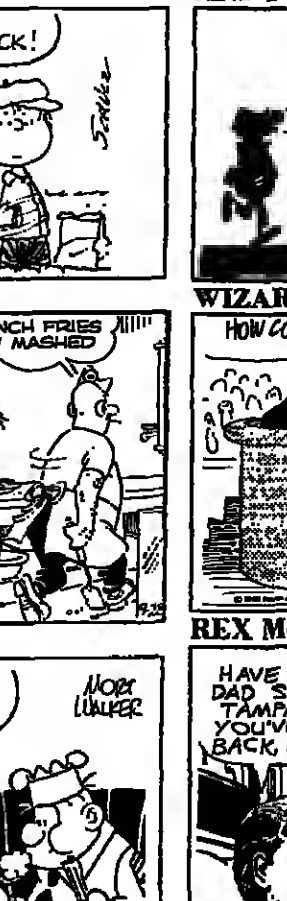
GARFIELD



WIZARD of ID



REX MORGAN



ANDY CAPP



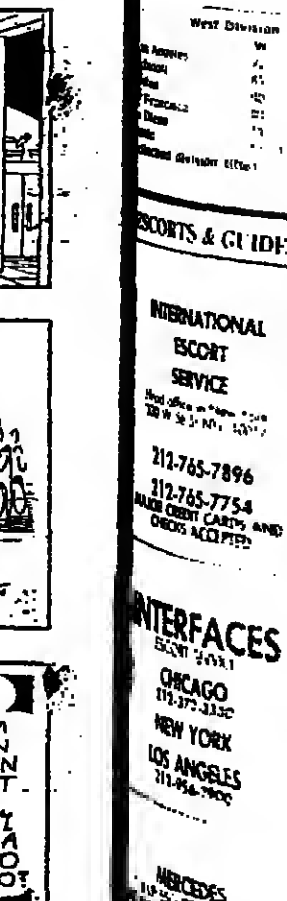
WIZARD of ID



REX MORGAN



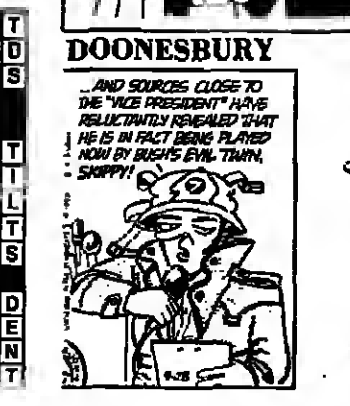
ANDY CAPP



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
DRAP
EMAH
GLYNIK
CONTOY
ANSWER: LET'S NOT

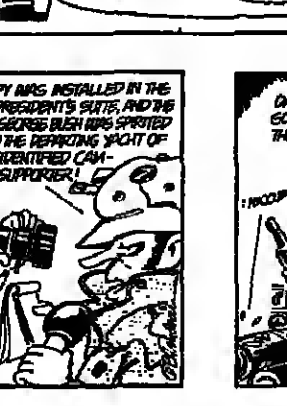
DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
DRAP
EMAH
GLYNIK
CONTOY
ANSWER: LET'S NOT

DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
DRAP
EMAH
GLYNIK
CONTOY
ANSWER: LET'S NOT

DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
DRAP
EMAH
GLYNIK
CONTOY
ANSWER: LET'S NOT

DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
DRAP
EMAH
GLYNIK
CONTOY
ANSWER: LET'S NOT

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

WHATS HAPPENING ON THE LONDON STAGE

THE HIT'S ARTS & LEISURE SECTION

SPORTS

Dodgers Win, Clinch Title

By Our Staff From Dispatches LOS ANGELES — The time is now for California Dreaming.

The Los Angeles Dodgers, fully wiping out the embarrassment of two straight losing seasons, got a clutch run-scoring single by Mickey Hatcher in the eighth inning to beat the San Diego Padres, 3-2, Monday night and clinch their fourth National League West title in eight years.

Manager Tom Lasorda, who has won six division titles and three league pennants since taking over the team in 1977, never doubted the Dodgers would bounce back this season. "This is what we kept thinking about," he said. "This is what we felt we were capable of doing. Here it is, right here."

Now the Dodgers must take on the New York Mets, the Eastern

BASEBALL ROUNDUP

Division champions, who beat Los Angeles 10 out of 11 times this year. Outfielder Kirk Gibson, widely credited with giving the Dodgers a more competitive attitude after being signed as free agent during the offseason, said Los Angeles has worked to improve.

Reds 5, Giants 2: In San Francisco, Tom Browning (18-5) scattered four hits over eight-plus innings to improve to win for the 16th time since June 6.

Outfielder Kirk Gibson, widely credited with giving the Dodgers a more competitive attitude after being signed as free agent during the offseason, said Los Angeles has worked to improve. The Dodgers had won just 73 games in each of the past two years.

SCOREBOARD

BASEBALL

Monday's Line Scores
AMERICAN LEAGUE
Detroit 8, Toronto 3
Boston 4, Cleveland 1
Chicago 3, Milwaukee 2
Kansas City 3, Oakland 2
Los Angeles 3, Seattle 2
Minnesota 3, St. Louis 2
New York Yankees 3, Texas 2
Washington 3, California 2

FOOTBALL

College Top-20 Rankings
1. Miami, FL (59)
2. UCLA (52)
3. Southern Cal (42)
4. Auburn
5. Notre Dame
6. Florida State
7. West Virginia
8. South Carolina
9. Nebraska
10. Oklahoma
11. Clemson
12. Alabama
13. Oklahoma State
14. FSU
15. Georgia
16. Washington
17. Florida
18. Wisconsin
19. Michigan
20. Oregon



Second baseman Steve Sax was bubbling over late Monday night.

Soccer: Just Maybe a Grand Finale

International Herald Tribune SEOUL — Tuesday was tough on cheats.

You can follow the Ben Johnson story elsewhere in these pages, but soccer got a couple of hard-nosed deviants out of its system on the same day. The soccer counterparts were damed soccer-run Italy, up to some old tricks, hit the Soviet Union on the break and seemed poised to sneak a victory until the Soviets equalized late on and finally won, 3-2, in extra time.

ROB HUGHES

so long in Pusan, Brazil and West Germany stated for even longer — two hours — in Seoul's Olympic Stadium. It was at first an acceptable contrast in styles, the Latin short game of Brazil vs. the more robust running of West Germany.

West German goalie Uwe Kamps, head bowed in silent reflection.

Time elapsed. Extra time elapsed. The dreaded shootout would decide who played Saturday's final. Now the pressure was on the nerves — man against man. The West Germans cracked. Taffarel, now 22, has seemed from youth level to be the emerging goalie Brazil has sought for a decade; Uwe Kamps, 24, hasn't caught the ball often enough to be West Germany's new hero.

West German goalie Uwe Kamps, head bowed in silent reflection.

So it proved. Taffarel, spring-heeled and calm in crises, brought off two fine penalty stops; Kamps blocked only one. And although the quality of Brazilian shooting was finer, the figures of Taffarel and Kamps summed up the lottery of Russian roulette by penalty kicks.



West German goalie Uwe Kamps, head bowed in silent reflection.

White House, deal to Kuwait

40 F-18 jets and other... The White House is expected to announce a deal with Kuwait for the sale of 40 F-18 fighter jets and other military equipment.

49ers' Montana Learns To Share the Limelight

By Thomas George

NEW YORK — Before the San Francisco 49ers tackled the Seahawks in Seattle on Sunday, Joe Montana spoke about the times he had been replaced at quarterback by Steve Young this season.

He's been around, and he knows what's happening with Steve, that Steve is not just your basic backup quarterback.

He's been around, and he knows what's happening with Steve, that Steve is not just your basic backup quarterback. We've tried to deal with this honestly and direct. But I suppose as time passes that it is Steve that will become more and more anxious.

Walsh knows that competition can be healthy, and he said Montana has responded with even more resolve.

Walsh knows that competition can be healthy, and he said Montana has responded with even more resolve. Having Jerry Rice as a wide receiver around certainly helps. San Francisco's opponents go in knowing that Rice, with his silky-smooth moves, range and speed, can break open a game.

Major League Standings

AMERICAN LEAGUE
East Division
Detroit 87, Toronto 72, Boston 72, Cleveland 68, Chicago 68, Milwaukee 68, Kansas City 68, Seattle 68, California 68, Texas 68, Oakland 68, Los Angeles 68, Minnesota 68, St. Louis 68, New York Yankees 68, Philadelphia 68, Washington 68, California 68.

NFL Standings

AMERICAN CONFERENCE
Buffalo 10, New York Jets 9, Indianapolis 8, Miami 7, New England 6, Cincinnati 5, Houston 4, Cleveland 3, Pittsburgh 2, Los Angeles Raiders 1, San Diego 0, Seattle 0, Denver 0, Kansas City 0.

Chadris Nip Bronco

NEW YORK — Chadris Nip kicked a 44-yard field goal with four seconds left in regulation and nailed a 35-yarder with 2:25 to go in overtime Monday night, helping the Los Angeles Raiders rally past the Broncos, 30-27, United Press International reported Monday night from Denver.

Joe Montana's scoring losses were for 69 and 60 yards.

Joe Montana's scoring losses were for 69 and 60 yards. Young played again, completing 4 of 6 for 49 yards. Walsh doesn't deny there have been a few anxious moments with the two prime quarterbacks concerned over their lot. But one need only look around the league at the rash of quarterback injuries to realize how fortunate the 49ers are. Ask the Cleveland Browns, the Houston Oilers, the Washington Redskins.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896
212-765-7754
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

INTERNATIONAL CLASSIFIED

ESCORTS & GUIDES
*ZURICH *CAROLINE
ESCORT SERVICE. 01 725 61 74
GENEVA *MELODIE
ESCORT SERVICE. Tel: 022/461158

INTERNATIONAL MERGERS AND ACQUISITIONS'S 1990 in the

A major international conference cosponsored by the International Herald Tribune and Skadden, Arps, Slate, Meagher, and Flom
LONDON, NOVEMBER 10, 1988
The last two years have seen a dramatic upsurge in international corporate mergers and acquisitions. As the number of such international transactions has increased, the use of hostile tactics has also begun spreading rapidly, even among European and Japanese companies.

OFFICES WANTED

High class furnished... offices wanted in various cities.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
212-765-7896

SPORTS / 1988 SUMMER OLYMPICS

Heat On, Louganis Nails Final Dive And Second Gold

By Peter Alfano
New York Times Service

SEOUL — These Olympics tested his courage and ultimately his will to succeed. At the age of 28, 12 years after he made his first splash diving — winning a silver medal in Montreal — Greg Louganis gave what was probably the finest performance of his career in Seoul, overcoming adversity and his hair-raising fear of the water to earn a place among the best divers in the world.

It would have been easy for Louganis to settle for something less than a gold medal, especially after he struck his head on the springboard during a qualifying dive last week, suffering a cut that required five stitches to close. Not only did he dive two more times that night to qualify, but he came back the following day to win the gold medal.

Then on Tuesday, when it looked as if he would have to settle for the silver in what is probably his last Olympic performance, Louganis stood on the 10-meter platform, a familiar face, smiling, his face, deep in concentration, knowing he would need a near perfect score on his final dive to overtake Xiong Ni, a 14-year-old wisp from China.

He chose a reverse 3 1/2 somersault, the dive he had misjudged when he hit his head, and considered the most difficult dive in the sport. "I knew I was trailing going into the last dive," Louganis said. "I knew I had a 3.4 degree of difficulty and he had a 3.2, so I had a slight advantage."

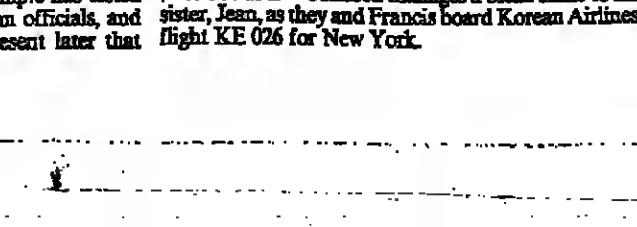
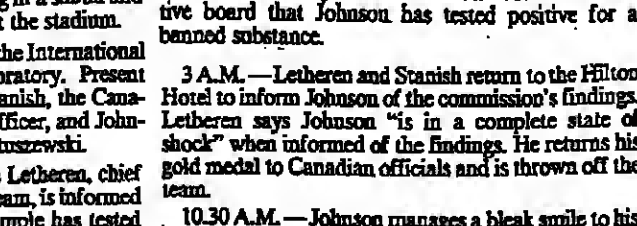
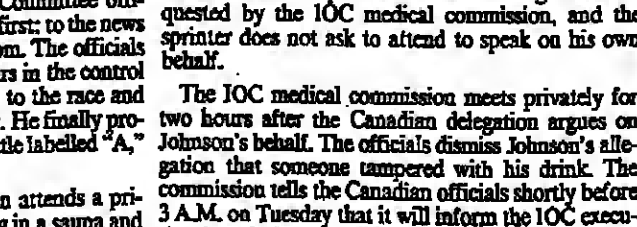
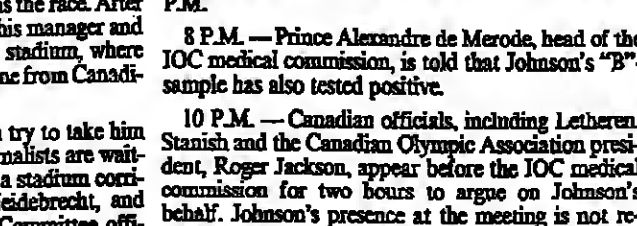
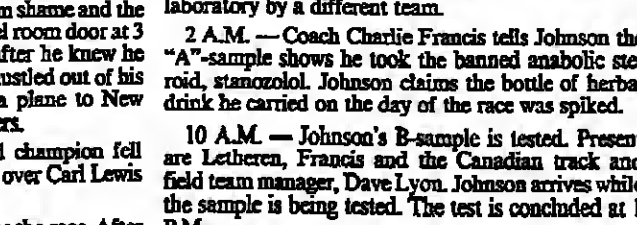
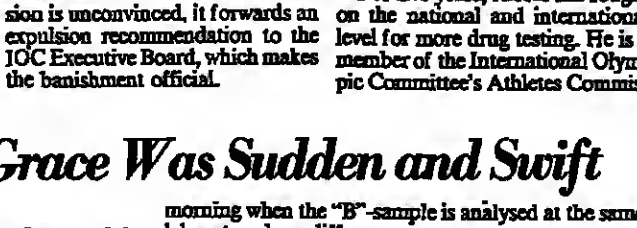
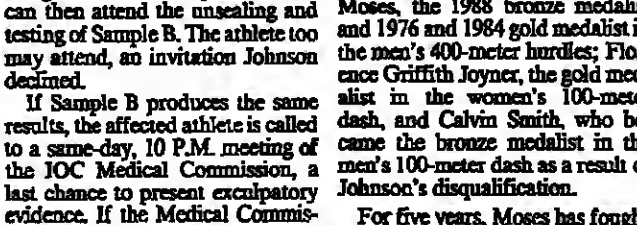
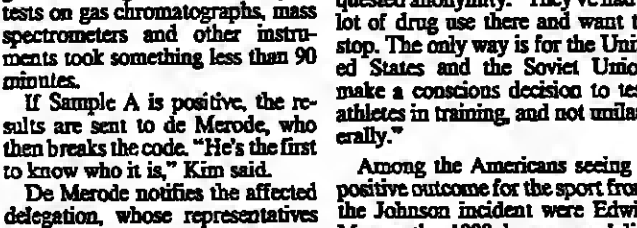
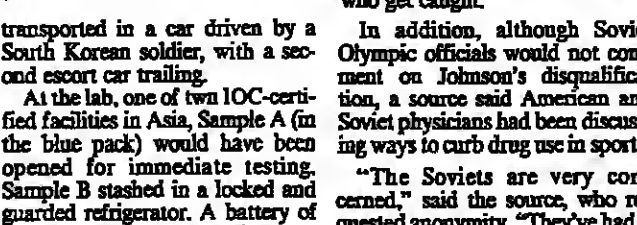
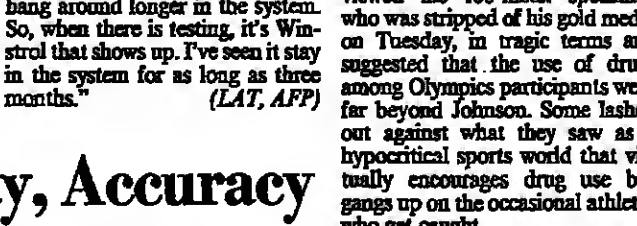
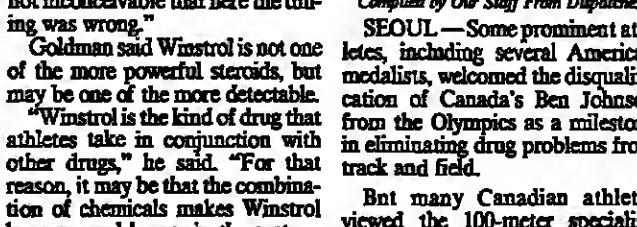
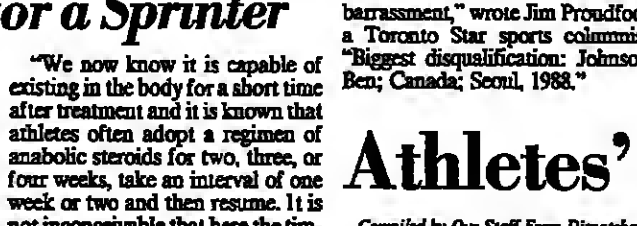
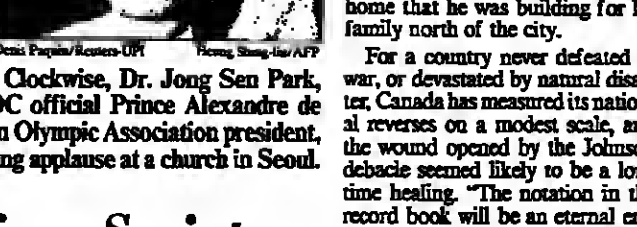
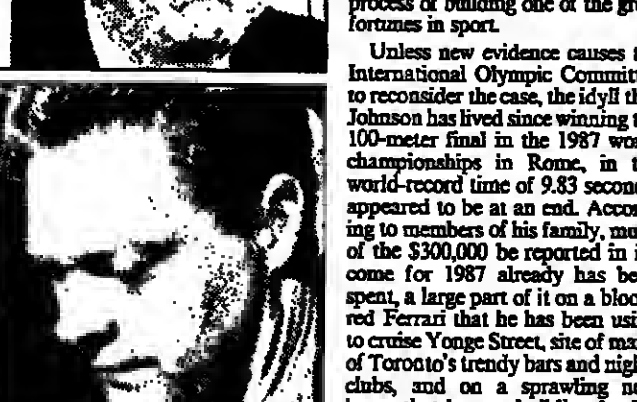
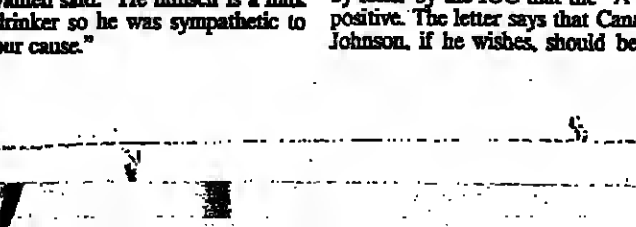
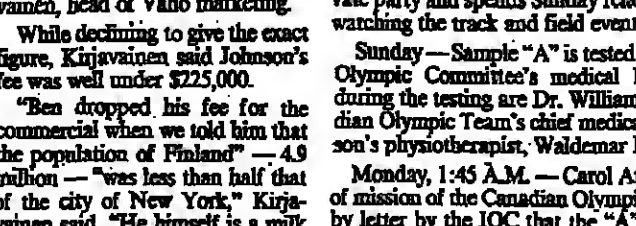
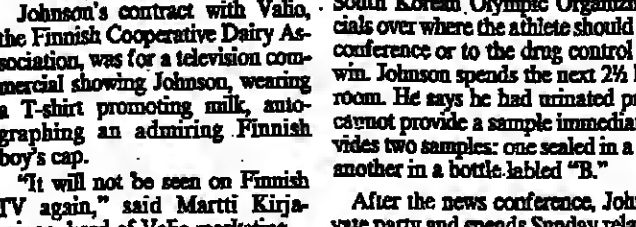
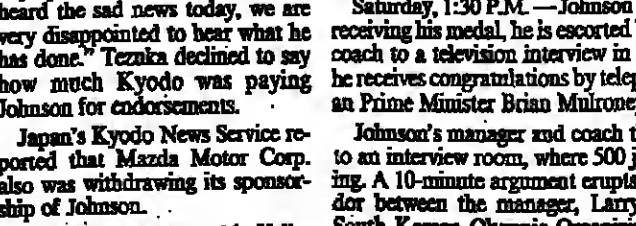
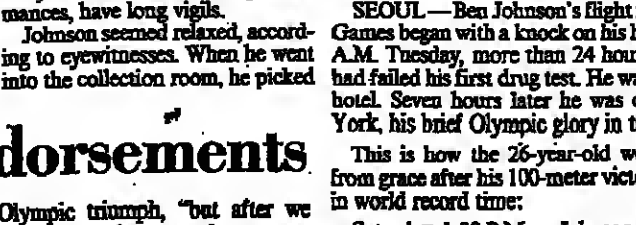
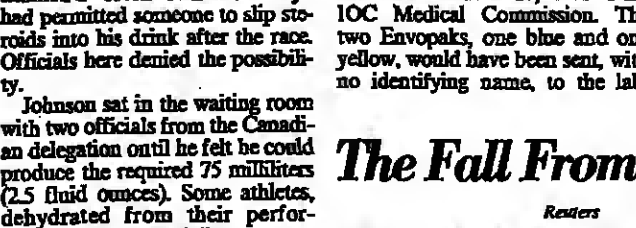
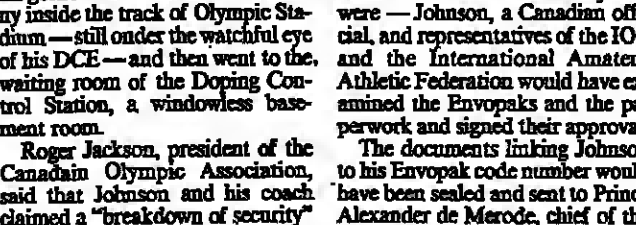
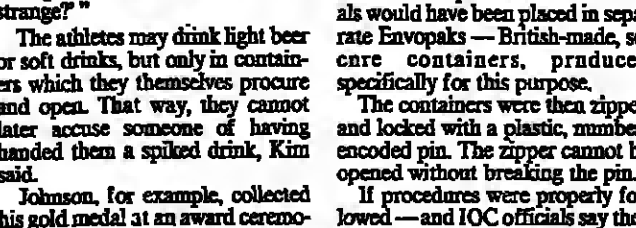
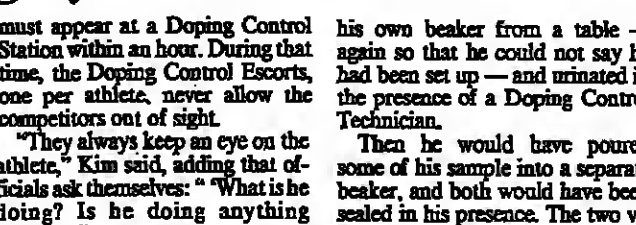
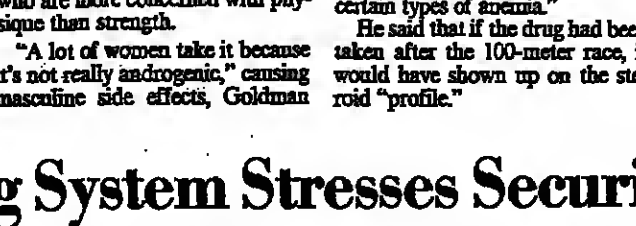
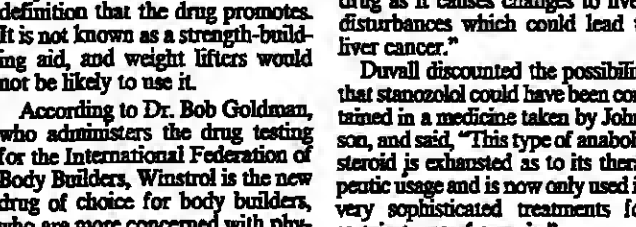
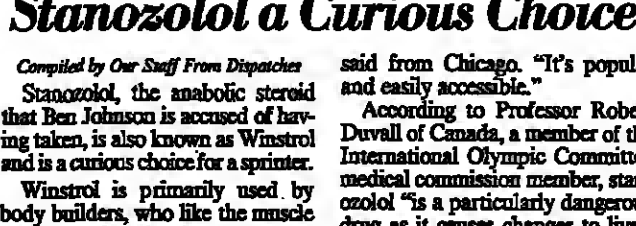
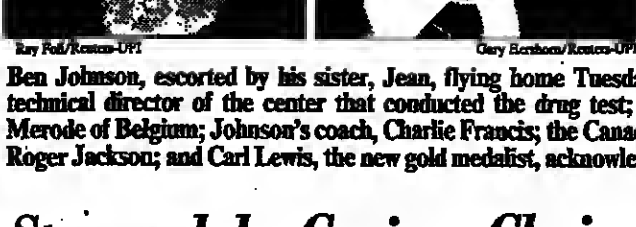
The execution appeared flawless, Louganis clearing the water like a dart. When he is pleased with a dive, he bobs to the surface with a smile, but this time he emerged with an expression of doubt. When the scores were posted, the spectators burst into applause and tears rolling down Louganis's face, he ran to embrace the U.S. diving coach, Ron O'Brien.

"That was probably the biggest dive of his career," O'Brien said. "In his mind, under those circumstances, certainly proved that he was a champion."

Louganis received 86.70 points to finish with a total of 638.61, only 1.14 ahead of Xiong. It enabled him to become the first male to win two diving gold medals in consecutive Olympic Games. Louganis has been on four Olympic teams, although he did not participate in 1980, when the United States boycotted the Moscow Summer Games.

Louganis also equaled the record held for total diving medals. Klaus Dibiasi of Italy also won five Olympic medals. When Louganis won the silver in Montreal in 1976, Dibiasi won the gold.

"I knew it was going to be tight," said Louganis, an aspiring actor who has blended the qualities of athlete and entertainer in his performances. "I know I'm very young — it's an honor for me to compete with him," said Xiong, who is half Louganis's age. "I always considered him one of my idols."



Sports' 'Most Publicized Fraud' Hits Hard at Home in Canada

By John F. Burns
New York Times Service

TORONTO — Canada, a country that has long considered itself a model of fair play among nations, struggled Tuesday to cope with the shock of finding itself at the center of what The Toronto Star called "the most publicized fraud in the history of sport."

The doping scandal that deprived Ben Johnson of his gold medal and world record in the Olympic 100 meters was a body blow to the country's psyche. On a personal level, it was a disaster of seemingly irrevocable proportions for Johnson, a 26-year-old Johnson had been stripped of his triumph hit the same homes 72 hours later. There are a lot of impressive young Canadians — especially Jamaican-born kids — right here in this city, who were sitting at home in front of the TV, their hearts breaking.

Robertson wrote. He suggested that the least Johnson owed them was an explanation of "how he was driven to perpetrate this enormous fraud."

Among Canadians whose reactions were captured on television and in the newspapers, few appeared to be inclined to believe the version circulated by Johnson's entourage, that the athlete might have been doped by opponents who put a substance in his hand.

At the same time, many young people appeared to be appealing to Johnson to offer them some believable explanation, or some way of restoring their faith in him. "Why don't they make him run 100 meters again, to find out if he could break the record without the steroids?" said Howard Shakes, a 13-

year-old Toronto boy. "I still think he's the fastest. I think he could beat Carl Lewis anyway."

Others sought refuge in the notion that Johnson, who did not complete his school education and who speaks with a strong accent, had been led astray. Rumors that he had been using steroids began surfacing after the victory in Rome, and strengthened after he aggravated a hamstring injury in May. Shortly afterward, he split with his Canadian coach, Charlie Francis, and went to the Caribbean island of St. Kitts to seek assistance from a man described as his "personal physician," Dr. Mario Astaphan, who was in Seoul to watch the Olympic run.

The rumors reached the sports minister, Jean Charest, who told the Canadian Broadcasting Corp. on Monday night that "there is no way that a minister of anyone else can do anything about rumors." As the rumors grew, Dr. Astaphan accused Francis of putting it about that Dr. Astaphan was supplying Johnson with steroids, and threatened a lawsuit. The issue subsided after Johnson ran third to Lewis in a race in Zurich in August, and tested negative for drugs afterward.

However, the expert in biomechanics who designed Johnson's strength-training program at York University in Toronto, Dr. Tudor Bompa, said that the news of the debacle in Seoul had not completely surprised him. "I haven't liked certain things that have been going on since he injured his hamstring in May," Dr. Bompa told The Toronto Star. He cited the summer trip to St. Kitts, and added: "Ben substance got involved with some very dubious people, who began running his life for him. He was so easily influenced because of his injury, and his fear that he wouldn't be ready for the Olympics."

U.S., Soviets Put 3 Boxers In Semifinals

Compiled by Our Staff From Dispatches

SEOUL — The U.S. boxing team's two boxers met dramatic and different results Tuesday. An American, fighting with virtuosity, won a split decision over a Hungarian opponent from Hungary to advance to the semifinals.

Maynard has been troubled by a right hand for six weeks, but he found he was better with just his left hand than Hungary's Lajos Erős.

Maynard had the best of all odds in his fight. He got the three rounds of work he needed but also showed the kind of punches that set up a fighter for a medal.

In the first round, Maynard showed the strength that forced Erős to take a standing eight count. In the second round, Maynard took the fight to Erős and did not flinch.

Erős was all Maynard. The names changed, but the fight was the same. Erős landed only left punches and landed only left punches.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Erős was a pure instinctive boxer and a third round, until Erős took to take another standing eight count at the end of the final round.

Stanazolol a Curious Choice for a Sprinter

Compiled by Our Staff From Dispatches

Stanazolol, the anabolic steroid that Ben Johnson is accused of having taken, is also known as Winstrol and is a curious choice for a sprinter.

Winstrol is primarily used by body builders, who like the muscle definition that the drug promotes. It is not known as a strength-building aid, and weight lifters would not be likely to use it.

According to Dr. Bob Goldman, who administers the drug testing for the International Federation of Body Builders, Winstrol is the new drug of choice for body builders, who are more concerned with physique than strength.

"A lot of women take it because it's not really anabolic," causing masculine side effects, Goldman said from Chicago. "It's popular and easily accessible."

According to Professor Robert Duvall of Canada, a member of the International Olympic Committee medical commission, stanazolol "is a particularly dangerous drug as it causes changes to liver, disturbances which could lead to liver cancer."

Duvall discounted the possibility that stanazolol could have been contained in a medicine taken by Johnson, and said, "This type of anabolic steroid is exhausted as its therapeutic usage and is now only used in very sophisticated treatments for certain types of anemia."

He said that if the drug had been taken after the 100-meter race, it would have shown up on the steroid "profile."

"We now know it is capable of existing in the body for a short time after treatment and it is known that athletes often adopt a regimen of anabolic steroids for two, three, or four weeks, take an interval of one week or two and then resume. It is not inconceivable that here it is being wrong."

Goldman said Winstrol is not one of the more powerful steroids, but may be one of the more detectable. "Winstrol is the kind of drug that athletes take in conjunction with other drugs," he said. "For that reason, it may be that the combination of chemicals makes Winstrol hang around longer in the system. So, when there is testing, it's Winstrol that shows up. I've seen it in the system for as long as three months." (LAT, APF)

Athletes' Reactions Are Mixed

Compiled by Our Staff From Dispatches

SEOUL — Some prominent athletes, including several American medalists, welcomed the disqualification of Canada's Ben Johnson from the Olympics as a milestone in eliminating drug problems from track and field.

But many Canadian athletes viewed the 100-meter specialist, who was stripped of his gold medal on Tuesday, in tragic terms and suggested that the use of drugs among Olympics participants went far beyond Johnson. Some lashed out against what they saw as a hypocritical sports world that virtually encourages drug use but gangs up on the occasional athletes who get caught.

In addition, although Soviet Olympic officials would not comment on Johnson's disqualification, a source said American and Soviet physicians had been discussing ways to curb drug use in sports.

Drug Testing System Stresses Security, Accuracy

By Fred Hiatt
Washington Post Service

SEOUL — You've just won your race, you're feeling good and — here comes the local Doping Control Escort.

"Congratulations," the DCE says. "You've been selected for doping control."

From that moment, you have entered a tightly controlled Olympic system designed to detect the use of illegal, performance-enhancing substances — a system of trained observers of the urinating process, secret code numbers, tamper-proof Envopak and escorted Army drivers.

It is a system designed to allow athletes like Ben Johnson no slights when the laboratory finds evidence of illicit drug use. And while officials here say many athletes are beating the system by using undetectable drugs, they say the system ensures no one can be falsely accused.

"The procedures are so strictly adhered to, there can be no complaints," Kim Dong Nook, director of the Doping Control and Health Services Division of the Seoul Olympic Organizing Committee, said in an interview.

In Seoul, the Doping Control Technicians have been testing the top four finishers in most events, plus two competitors chosen at random, Kim said.

Once athletes have been served their dope test, notice on the track, by the pool or in the gym, they must appear at a Doping Control Station within an hour. During that time, the Doping Control Escorts, one per athlete, never allow the competitors out of sight.

"They always keep an eye on the athlete," Kim said, adding that officials ask themselves: "What is he doing? Is he doing anything strange?"

The athletes may drink light beer or soft drinks, but only in containers which they themselves procure and open. That way, they cannot later accuse someone of having handed them a spiked drink, Kim said.

Johnson, for example, collected his gold medal at an award ceremony inside the track of Olympic Stadium — still under the watchful eye of the DCE — and then went to the waiting room of the Doping Control Station, a windowless basement room.

Roger Jackson, president of the Canadian Olympic Association, said that Johnson and his coach claimed a "breakdown of security" had permitted someone to slip steroids into his drink after the race. Officials here denied the possibility.

Johnson sat in the waiting room with two officials from the Canadian delegation until he felt he could produce the required 75 milliliters (2.5 fluid ounces). Some athletes, dehydrated from their performances, have long viles.

Johnson seemed relaxed, according to eyewitnesses. When he went into the collection room, he picked up his own beaker from a table — again so that he could not say he had been set up — and urinated in the presence of a Doping Control Technician.

The Fall From Grace Was Sudden and Swift

By John F. Burns
New York Times Service

SEOUL — Ben Johnson's flight from grace and the Games began with a knock on his hotel room door at 3 A.M. Tuesday, more than 24 hours after he knew he had failed his first drug test. He was hustled out of his hotel. Several hours later he was on a plane to New York, his brief Olympic glory in tatters.

This is how the 26-year-old world champion fell from grace after his 100-meter victory over Carl Lewis in world record time.

Saturday, 1:30 P.M. — Johnson wins the race. After receiving his medal, he is escorted by his manager and coach to a television in the stadium, where he receives congratulations by telephone from Canadian Prime Minister Brian Mulroney.

Johnson's manager and coach then try to take him to an interview room, where 500 journalists are waiting. A 10-minute argument erupts in a stadium corridor between the manager, Larry Heidebrecht, and South Korean Olympic Organizing Committee officials over where the athlete should go first: to the news conference or to the drug control room. The officials win. Johnson spends the next 2 1/2 hours in the control room. He says he had urinated prior to the race and cannot provide a sample immediately. He finally provides two samples: one sealed in a bottle labeled "A," another in a bottle labeled "B."

After the news conference, Johnson attends a private party and spends Sunday relaxing in a sauna and watching the track and field events at the stadium.

Sunday — Sample "A" is tested at the International Olympic Committee's medical laboratory. Present during the testing are Dr. William Stanish, the Canadian Olympic Team's chief medical officer, and Johnson's physician, Waldemar Matyszczyk.

Monday, 1:45 A.M. — Carol Anne Letheren, chief of mission of the Canadian Olympic team, is informed by letter by the IOC that the "A" sample has tested positive. The letter says that Canadian officials, and Johnson, if he wishes, should be present later that morning when the "B" sample is analyzed at the same laboratory by a different team.

2 A.M. — Coach Charlie Francis tells Johnson the "A" sample shows he took the banned anabolic steroid, stanazolol. Johnson claims the bottle of herbal drink he carried on the day of the race was spiked.

10 A.M. — Johnson's B-sample is tested. Present are Letheren, Francis and the Canadian track and field team manager, Dave Lyon. Johnson arrives while the sample is being tested. The test is concluded at 1 P.M.

8 P.M. — Prince Alexandre de Merode, head of the IOC medical commission, is told that Johnson's "B" sample has also tested positive.

10 P.M. — Canadian officials, including Letheren, Stanish and the Canadian Olympic Association president, Roger Jackson, appear before the IOC medical commission for two hours to argue on Johnson's behalf. Johnson's presence at the meeting is not requested by the IOC medical commission, and the sprinter does not ask to attend to speak on his own behalf.

The IOC medical commission meets privately for two hours after the Canadian delegation argues on Johnson's behalf. The officials dismiss Johnson's allegation that someone tampered with his drink. The commission tells the Canadian officials shortly before 3 A.M. on Tuesday that it will inform the IOC executive board that Johnson has tested positive for a banned substance.

3 A.M. — Letheren and Stanish return to the Hilton Hotel to inform Johnson of the commission's findings. Letheren says Johnson "is in a complete state of shock" when informed of the findings. He returns his gold medal to Canadian officials and is thrown out of the hotel.

10:30 A.M. — Johnson manages a bleak smile to his sister, Jean, as they and Francis board Korean Airlines flight KE 026 for New York.

BLANCPAIN

SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

PISA OROLOGERIA

VIA PIETRO VERRI 20121 MILANO TELEFONO 791998

per
1ce
ihops
WANTED
BLISHER
ATER
AND
e
days
age of
y has
Your
s, are
ed by
ment
o the
ation
wide
ding
ome
is as
ares
s. in
take
U.S.
New
ning
res.
ents,
can,
post
1 an
vion
of, of
from
Also
from
used
MRO
awa-
to the
lard
nds.
ight
HX
tiar

